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TODAY: SPORTS Details, Page 20

Socialists Recapture Power in France

By Joseph Fitchett
International Herald Tribune

PARIS — The French Socialists swept to triumph Sunday in runoff parliamentary elections that will enable them to form a new government, forcing President Jacques Chirac to share power with his ideological opponents.

Computer projections showed that the Socialists and their minor leftist supporters won more than 290 seats in the 577-member National Assembly, a majority more than adequate for the Socialists to pass legislation without depending on the support of the Communist Party, their electoral ally.

The dimensions of the conservatives' defeat raised the possibility that Mr. Chirac could face demands to resign and call presidential elections to re-establish the credibility of the office, analysts said Sunday night.

Voters delivered a powerful rejection of the performance of the center-right governing coalition in trying to push through changes to make the economy more competitive and French society less dependent on jobs and benefits provided by the government.

The election results were overwhelmingly in favor of the leftist electoral coalition. Of the parliamentary seats, the Socialists and their non-Communist allies seemed set to win between 289 and 298 seats, compared to 220 for the center-right coalition. These comprised 100 for the centrist Union for French Democracy and 120 for Mr. Chirac's Rally for the Republic.

In the Parliament that still had a year to run when Mr. Chirac called a snap election five weeks ago, the governing coalition had 460 seats.

Projections gave 36 seats to the Communists, their best score for a decade, along with seven to the Greens and one or two to the National Front. The remainder went to splinter parties.

The comeback of the Socialists, who seemed close to political oblivion five years ago, has effectively eliminated any option of government-led shock treatment to the economic and social welfare system in the foreseeable future.

Internationally, the election will be interpreted as evidence of French resistance to economic change and as a threat to current plans for European integration around a strong French-German core of leadership.

Foreign capitals and international investors have seen the vote largely as a test of French readiness to accept painful reforms and to sacrifice some independence to European cooperation. Now the outcome is likely to be regarded as a national retreat from economic challenge and proof that France wants to cling to an increasingly costly system of job protection and social benefits that are among the most generous in Europe.

Lionel Jospin, 59, the Socialist leader who presumably will be the next prime minister, has strongly stated his determination to modify the priorities of the European Union to emphasize the battle against unemployment. France's chronic joblessness was a major issue when the Socialists were turned out of Parliament five years ago and has not improved since, now standing at 12.8 percent.

But it is the high cost of labor that business leaders say makes France less competitive and jobs harder to create.

Sunday night, Mr. Jospin reaffirmed that he planned to "reorient" European policy in re-

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Jean-Christophe Kahn/Reuters

Jacques Chirac: Facing "cohabitation."

The Political Lesson: Forward to the Past

By John Vinocur
International Herald Tribune

PARIS — In putting the left back in charge of the government, the French have voted against all the new methods proposed to them for pushing their country into competitiveness and out of economic decline. Creating a political irony of considerable proportions, the electorate chose the Socialists and their allies because they represented the least chance of change.

In the context of globalization, and the declining fortunes of Europe's social model of high pay, guaranteed employment and tight state control over enterprise, the French instead have affirmed the old way of doing things. Irrespective of the leftist party labels, they voted for conservative content: no change in the active intervention of the state in business, no change in the minimum wage, no movement toward increasing job market flexibility and no basic redefinition of the vast system of social services.

Against the timid and halting attempts of the center and parties of the right to say that France needed to convert to an economic system more like that of the United States or Britain, the French responded that, even with 12.8 percent unemployment and darkening prospects, they in effect preferred the example of Sweden 25 years ago, which, for all its great success, is now a part of the past.

An unequivocal statement of how much Lionel Jospin, the likely leader of a Socialist-led government, saw his future tied to the old approach was disclosed Saturday when the European Parliament's Socialist group issued a news release saying that Mr. Jospin told workers from the Renault auto factory in Vilvoorde, Belgium, that he would seek, when elected, to force management to reverse its decision to close the plant. In saying that "representatives of the state on Renault's board will demand other measures," Mr. Jospin was taking a position that was the antithesis of the leave-business-to-business stance that Tony Blair lay down in leading the Labour Party to victory in Britain on May 1.

NEWS ANALYSIS

With the possibility of members of the Communist Party in government and the necessity to

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Economic Outlook: Euro Confusion

By Alan Friedman
International Herald Tribune

PARIS — The Socialists' victory in France's election Sunday is certain to contribute to the growing confusion and political conflict over Europe's plans for monetary union, the Continent's most ambitious and radical plan for economic change in the postwar era.

Lionel Jospin, the Socialist leader likely to be named prime minister, is expected to reaffirm France's commitment to the single currency project immediately, and he may seek to reassure European partners of this by naming Jacques Delors, the former European Commission president, as a special adviser or to a cabinet post.

But Mr. Jospin has made it clear that under his leadership Paris will abandon the kind of austerity and reform policies envisaged by President Jacques Chirac, which economists have seen as vital if France is to be a credible partner

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Christophe Ena/The Associated Press

Lionel Jospin: The likely prime minister.

Kenya Leader Shrugs Off Opposition's Reform Call

Compiled by Our Staff From Dispatches

NAIROBI — President Daniel arap Moi dismissed opposition demands for constitutional reforms ahead of elections, while the police kept opposition leaders confined to their homes following serious rioting over the weekend.

Hundreds of riot police — some on horseback — charged more than 1,000 demonstrators Saturday, beating them with truncheons and firing rubber bullets and tear gas.

Street battles ensued, with demonstrators and hangers-on breaking shop windows, looting goods, stoning passing cars and turning them over.

One person died in the rioting, according to newspaper reports, several opposition leaders and scores of demonstrators were injured, and scores of shops and stalls were looted.

Opposition leaders and clergy, seeking reforms to the constitution ahead of this year's elections, had planned to disrupt Mr. Moi's speech Sunday at the annual Madaraka Day rally, which marks the winning of self-government in 1963 on the way to independence later that year.



George Mulala/Reuters

Nairobi policemen beating a rioter Sunday, after they broke up a rally to urge changes in the constitution.

But before the opposition could organize, riot police and paramilitary General Service Units surrounded the houses of the leaders, preventing them from leaving.

The government critics and clergy who organized Saturday's rally are urging the repeal of election laws they say favor incumbents in Mr. Moi's ruling Kenya African National Union.

The laws, which date from British colonial rule, curtail freedom of expression and assembly, permit indefinite detention without trial and allow authorities to censor publications and bar political parties from obtaining

On Sunday, the 73-year-old president promised to change the Public Order Act, which his opponents say is used to justify officially sanctioned violence against opposition rallies.

Mr. Moi said new legislation would be presented for debate in the Parliament. "This new law will replace the Public Order Act," he said.

He did not say when the law will be changed. It was under this law, dating back to British colonial times, that the police broke up the peaceful rally Saturday. *(AP, Reuters, AFP)*

Prime Minister of Turkey Will Seek Early Election

Erbakan Aims to Shore Up Crumbling Coalition

By Stephen Kinzer
New York Times Service

ISTANBUL — After 11 months in office as modern Turkey's first Islamist leader, Prime Minister Necmettin Erbakan acknowledged Sunday that his coalition government was crumbling and said he would call new elections.

"We decided that for Turkey to continue its economic success, an early election would be necessary," Mr. Erbakan said at a news conference in Ankara, the capital.

He did not say when the elections would be held. They were not due until 2000, but in recent months various pressures on the government have become all but paralyzing.

The pressure began to intensify in February, when the country's influential generals, who consider themselves the ultimate guardians of Turkish secularism, demanded that Mr. Erbakan retreat from his Islamist policies. Their most immediate demand was that he close unregistered Koranic educational institutions and impose curbs on Islamic schools.

Mr. Erbakan said he would carry out the military's demands, but he has proved reluctant to keep his promise. Some of his principal supporters have threatened to abandon him if he does not stand firm in defense of religious education.

Then, last month, a senior prosecutor announced that he would ask a court to ban Mr. Erbakan's Welfare Party on the grounds that it threatens the secularist principles on which modern Turkey was founded 74 years ago.

As these external pressures on the government have grown, the secularist True Path Party, Mr. Erbakan's coalition partner, has been shaken by a series of defections by cabinet ministers and members of Parliament. Some said they could no longer work with the Islamists. Others complained that the party was being dragged down by its leader, Foreign Minister Tansu Ciller, who has been the target of a series of corruption allegations. She has denied the contentions.

At Sunday's news conference, Mrs. Ciller said that Mr. Erbakan would turn his job over to her at the end of June and that she would be the prime minister until new elections were held.

For that to happen, however, Mr. Erbakan would have to resign as prime minister, President Suleyman Demirel would have to ask Mrs. Ciller to form a new government and she would have to be confirmed by Parliament.

It is far from certain that such a sequence of events will unfold.

"Nothing is definite yet," wrote Hasan Cemal, a columnist for the daily newspaper Sabah in Istanbul. "It is too early to see Ciller as the country's next prime minister."

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China Joyfully Awaits Return of Prodigal Son

By Seth Faison
New York Times Service

SHANGHAI — All over China, schoolchildren call out the number in unison before classes begin each morning. Every major radio and television broadcast opens with the same count.

In Tiananmen Square in Beijing, there is a towering electronic clock that measures the remaining wait in days, and even in seconds.

The countdown to July 1 — when China resumes sovereignty over Hong Kong — is becoming a national obsession here.

People in Hong Kong may be awaiting their return to Chinese rule with anxiety, but in mainland China, the imminent handover is uniformly seen as one of the most glorious events in modern history. To recover Hong Kong, in the Chinese view, is to right one of the worst wrongs left over from an era of foreign domination in the 19th century.

Among ordinary people in China, Hong Kong's coming return evokes feelings of nationalist pride and historical justice along with, lurking underneath, an uneasy mix of jealousy and superiority.

"The main thing is that Chinese people will be ruled by Chinese people, not foreigners," said Wang Xiuzhen, 60, admiring a huge sign in a Shanghai park celebrating Hong Kong's return, one of many set up in cities around the

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Antilles	12.50 FF	Morocco	16 Dh
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Egypt	£E 5.50	Reunion	12.50 FF
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Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20



Bobby Yip/Reuters

Marchers in Hong Kong on Sunday commemorating the deaths of student activists killed in Beijing's 1989 crackdown on democracy.

AGENDA

Ruling Council Named in Sierra Leone

While negotiators in Sierra Leone said Sunday that they had struck a deal with leaders of the military coup, the army strongman announced the formation of a ruling council.

Major Johnny Paul Koromah said that the 20-member policy-making body would include the rebel leader Foday Sankoh as deputy chairman.

But a senior Western diplomat said the move was intended to appease the lower ranks of the army and the Revolutionary United Front rebels, who were opposed to negotiations.

Other diplomats said that an agreement to end the coup had been reached and would be announced later. Page 10.

Tietmeyer Assails Gold Revaluation

The president of the German central bank, Hans Tietmeyer, hardened his opposition Sunday to plans to revalue the Bundesbank's vast gold reserves. He also, in an unusual formal statement, denied that he had suggested delaying a single European currency. Some members of the governing coalition, meanwhile, urged the government to retreat from its clash with the fiercely independent central bank. Page 13.

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The IHT on-line http://www.iht.com

Sex and American Politics / **'A New Puritanism' Puts Public Figures at Risk**

The Troubled Kennedy Legacy

By Blaine Harden
Washington Post Service

BOSTON — John F. Kennedy's 80th birthday was celebrated by his family here last week with the annual Profile in Courage award. In those who showed up for the ceremony and those who stayed away, in the noble words that were spoken and the ignoble allegations that were ignored, the event showcased a family political dynasty that remains both fabulous and tainted.

The glamour of the Kennedy tribe was embodied in John F. Kennedy Jr., 36, the handsome son of the assassinated president. The staying power of the family was personified by Edward Kennedy, 65, the seven-term senator who said his family established the Profile in Courage award to honor "genuine leadership based on enduring values."

At the same time, though, the absence from the ceremony of two other Kennedys showed off another enduring family tradition: periodic eruptions of what one local Democrat gingerly describes as "unfortunate personal circumstances."

Not attending the ceremony was Michael Kennedy, 39, the sixth of Robert F. Kennedy's 11 children. A local district attorney is investigating Boston newspaper accounts of his alleged sexual relationship with an underage family babysitter. Most conspicuously missing from the Profile in Courage event was Representative Joseph Kennedy 2d, Democrat of Massachusetts. He is the eldest son of Robert and a likely contender in 1998 for governor of Massachusetts.

Joe Kennedy, 44, was hiding from the news media. His aides said he did not want to be cornered by television cameras and asked to clarify when he found out about — and what he did to prevent — his brother's alleged involvement with the babysitter. Nor did the five-term congressman want to comment further on the annulment of his first marriage. A recent book by his former wife, Sheila Rauch Kennedy, accuses Joe Kennedy of calling her a "nobody" and of bullying her into the annulment.

As this generation of Kennedys — the children of John, Robert, Edward and of their sisters, Eunice, Patricia and Jean Ann — enters the prime of political life, the extended family is boldly continuing a near-century-old tradition of high-energy public service, of election-day mastery and of sexual escapades that both titillate and disgust voters.

"There is no question that it comes down through the generations," says Doris Kearns Goodwin, a sympathetic student of the family and author of "The Fitzgeralds and the Kennedys."

"It is a fascinating combination of idealism, of public service and, on occasion, a willingness to go beyond the ordinary rules. These things all seem to come from the same family source," Ms. Goodwin said.

The breadth of this generation's political involvement reaches from Patrick Kennedy, 30, the youngest son of Edward and a two-term congressman from Rhode Island, to Kathleen Kennedy Townsend, 45, the eldest daughter of Robert and lieutenant governor of Maryland, to Anthony Kennedy Shriver, 31, the youngest son of Eunice and a Florida pharmaceutical executive.

By the accounts of many political professionals in Massachusetts and Washington, most of the Kennedy children have grown up to be responsible, hard-working and politically sophisticated adults.

But the family's reputation, Ms. Goodwin noted, was sensationally tarnished in the 1991 Florida rape trial and acquittal of William Kennedy Smith, a medical student who was 31 years old. At the time, the rape allegation seemed the tawdry culmination of a long series of revelations about the untamed sexual appetites of Kennedy men, revelations that reached back to the 1920s when the family patriarch, Joseph Kennedy Sr., carried on an open affair with the film star Gloria Swanson, down through the assorted sexual encounters of John Kennedy in the White House and the mysterious death of Mary Jo Kopechne, a secretary who drowned in a car that Edward Kennedy drove off a bridge at Chappaquiddick, Massachusetts, in 1969.



Bill Pierce/Reuters

Senator Edward Kennedy, right, and family members at a gathering in Boston honoring the late President John F. Kennedy. From left, Edward's son, Patrick; John F. Kennedy Jr., and Michael Kennedy, son of the late Robert Kennedy.

THE newest material, of course, is the baby-sitter story. As chronicled on the front page of the Boston Globe — in articles the Kennedy family does not comment on, but does not deny — Michael Kennedy began a romantic relationship with a family baby-sitter five years ago when the girl was 14.

Neighbors and friends of the baby-sitter's family told the Globe that the affair with the girl, who is now 19, caused marital problems for at least two years between Michael and Victoria Kennedy, daughter of the ABC sports announcer Frank Gifford. In 1995, sources told the Globe, Victoria discovered Michael and the girl in bed.

The Globe reported that the continuation of the affair was the apparent reason for an announcement in April that the couple had separated after 16 years of marriage and three children. Until the story broke, Michael Kennedy had been viewed as a likely candidate for Congress from Massachusetts.

In the meantime, as Joe Kennedy has tried this spring to consolidate support for his expected run for governor, the Boston news media has hounded him, demanding to know what he did or did not do to steer his brother from the baby-sitter.

His silence has dovetailed with politically damaging publicity generated by his first wife's book.

In the process, Joe Kennedy's commanding lead in public opinion polls on the governor's race has been erased.

"The political story is that it is no longer an inevitability that Joe Kennedy is going to be the Democratic nominee for governor," said the Boston political consultant Mike Shea. Recent polls show Attorney General Scott Harshbarger, also a Democrat, in a near dead heat with Kennedy.

It was 51 years ago that John F. Kennedy first ran for Congress in Massachusetts and won, with the help of his father's vast wealth and the energetic campaigning of his extended family. Since then, Kennedy family members have won 18 elections in this state and lost none.

Along Wallace Street in the town of Somerville, a working-class Boston suburb in the congressional district represented by Joe Kennedy, everyone has heard about "Michael's problem." But most of those interviewed did not blame Joe for the deeds of his brother.

When pressed, most said they would vote for Joe Kennedy.

Clinton's Travail

By Francis X. Clines
New York Times Service

WASHINGTON — The moment surely was one for the ages: A television correspondent stood solemnly, the White House in the background, and speculated on the possibility that the president of the United States might some day have to submit to a genital examination now that the Supreme Court had allowed a civil lawsuit to go forward charging him with crude and lustful behavior.

Here was nontabloid network news alluding to the private parts of the commander in chief. Whatever happened to the Puritanical scrim once thought to filter out the seamier details from the drama of American political life?

If nothing else, it may be time to consider updating the French historian Alexis de Tocqueville, who firmly concluded 150 years ago, when the formative American soul defined the land: "Although the travelers who have visited North America differ on many points, they all agree in remarking that morals are far more strict there than elsewhere."

If de Tocqueville needs revising, it may be in degree more than as an absolute. The New World is not yet at that Gallic point reached after the death of President Francois Mitterrand last year, when a state funeral featured a wife and mistress in the same sharing of official grief. And yet, last week the United States brushed aside Mr. Clinton's mission of global statecraft for the greater news that Paula Jones is to have her day in court sooner rather than later.

In its unanimous ruling, the court found that, notwithstanding "the high respect that is owed to the office of the chief executive," Mr. Clinton could not delay Ms. Jones's sexual harassment suit until after his incumbency. The court found no constitutional support for presidential immunity for alleged unofficial misconduct in the case, in which Mr. Clinton is accused of a vulgar propositioning of Ms. Jones in 1991, while he was governor of Arkansas and she was a state employee.

The court ruled strictly on the civil rights issue of the suit, not its titillation value, which seemed considerable as a cascade of jokes soon flooded the nation about the "9-zip decision" and other snickering notions.

But privately, a discouraged administration worker conceded the fear that the ruling will likely "sap everything else the president does" at the White House.

"It's like a low-grade fever," said Michael Beschloss, the historian who closely watches the modern White House. "It's true all the rumors of Gennifer Flowers and Paula Jones didn't keep Clinton from re-election, but I think they really do depress the amount of popularity and respect he deserves for his achievements."

Plain respect, the historian emphasized, is quite a different value than the relative popularity Mr. Clinton enjoyed in his two elections as president.

Polling data make the president's situation seem paradoxical. While he was twice elected even as allegations and rumors of philandering became politically commonplace, the public's measure of marital morality has been toughening.

In 1973, 69.6 percent of adults said sex with someone other than one's spouse was "always wrong." Twenty-one years later, the same question drew stronger disapproval, 78.5 percent, according to the National Opinion Research Center.

"If this court ruling had come a year ago, we could have been swamped," a Clinton adviser said about the re-election campaign.

With the court's blessing to proceed, he noted, the charges might have fully ignited the character issue that fizzled in the hands of Bob Dole's campaign.

Trying to track sex as a public issue in modern America is like "watching two curves crashing against each other," in the view of the historical novelist Thomas Mallon. "There is a new Puritanism of sorts, with people terribly afraid to make passes and grope the way they did 30 years ago. Against that, there is the other curve of people being much more willing to admit things go on that we always knew were going on but pretended not to know. There's a low-level hysteria in the culture as these two things clash."

Caught in the grind, the president and his lawyers, like everyone else, are trying to survive. The nation may be inching toward the European tradition on sex and politics, one Clinton adviser estimated, "but we're not ready for Mitterrand's funeral."

■ No Apology From President, Lawyer States

President's Clinton's personal lawyer, Robert Bennett, said Sunday that Mr. Clinton "is not going to apologize," one of the conditions for an out-of-court settlement established by Joseph Cammarata, a lawyer for Ms. Jones, Reuters reported. "And if she insists on a trial, we'll have a trial," Mr. Bennett said.

Mr. Cammarata said that any settlement offer would need to include "some sort of an apology," an affirmation of the truthfulness of Ms. Jones's account of what happened between her and Mr. Clinton and a statement exonerating her of any wrongdoing. "She's entitled to some compensation," he added.

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Israel Ties Palestinian Aide to Killings

By Joel Greenberg
New York Times Service

JERUSALEM — An Israeli police investigation has found that the head of a Palestinian security agency and his men were directly involved in two recent slayings of Arabs suspected of selling land to Jews, the Jerusalem police chief said Sunday.

The chief, General Yair Yitzhaki, said that four Palestinian agents and two other men were caught Saturday night as they tried to kidnap another Arab real estate dealer from East Jerusalem to the Palestinian-governed town of Ramallah in the West Bank.

"We have direct evidence of involvement of the head of a security agency in the Palestinian Authority," General Yitzhaki said at a news conference.

He refused to identify the Palestinian officer, but Israel Television said Sunday night that he is Colonel Tawfik Tarawi, the chief of the Palestinian General Security Service in the West Bank.

Three Arabs accused of selling land to Israelis have been found slain in the Ramallah area in the past month, after the justice minister in the Palestinian Authority, Freih Abu Middein, announced May 5 that all Arabs convicted of selling land to Jews would be sentenced to death.

The most recent killing was on Saturday, when an Arab from East Jerusalem who reportedly sold a house there to a Jewish settlement group was found shot in the head near Ramallah.

The authority has denied involvement in the killings, asserting that dealers suspected of selling land to Jews will be brought to court and that several were already under arrest.

The police announcement Sunday was the first detailed account by the Israelis of what they say is official Palestinian involvement in the killings. Chief Yitzhaki said that he could not speculate whether the Palestinian leader, Yasser Arafat, had ordered his security agency to kill the land dealers, but he added that the slayings did not appear to be the work of local vigilantes.

"I can't say that this agency acted on a mission from a level beyond," Chief Yitzhaki said.

"I can only say that the systematic nature of the work does not indicate some kind of private initiative."

General Yitzhaki said that the latest killing bore a similarity to the slaying on May 8 of another Arab from East Jerusalem, who was found near the spot where the latest victim was discovered. The third murder victim was from a village near Ramallah.

German Pays for a Sick Joke in Israel

The Associated Press

JERUSALEM — A member of a German orchestra visiting Israel who signed "Adolf Hitler" on a bar bill at his hotel was sent home Sunday and will be dismissed, the German ambassador to Israel said.

Ambassador Theodor Wallau said the musician could be prosecuted. "The state legal authorities will have to decide what to do about him," he said. "We do not take these matters lightly. Expressions of anti-Semitism are against the law in Germany."

Gerd Reinke, who the plays double bass in the orchestra of the German Opera Berlin, left Israel on Sunday to return to Berlin. Heinz-Dieter Sense, manager of the company, said Mr. Reinke would be dismissed Monday.

The incident "cannot be forgiven," Mr. Sense said in an interview with a Berlin radio station.

The manager of the Sharon Hotel in Herzliya, where the orchestra was staying, said on Israeli Army Radio that Mr. Reinke had two beers at the hotel and signed his bill "Adolf Hitler."

"There was outrage in the hotel," said the manager, Zwika Spies. "The cashier asked him what was the meaning of this, and he said it was a joke."

TRAVEL UPDATE

Heavily armed bandits in Kenya killed one person and wounded dozens when they stopped vehicles and attacked travelers on the busy highway linking Nairobi with the Indian Ocean coastal city of Mombasa, the Sunday Nation newspaper reported. The bandits robbed passengers in some 50 buses and trucks. *(AFP)*

A flock of falcons blocked a runway at the Cairo airport, after they gathered around the remains of a falcon that had been killed by a a private plane. *(AFP)*

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This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries this week because of national and religious holidays:

MONDAY: Bolivia, Bhutan, Colombia, Ireland, Kenya, New Zealand, Venezuela.

TUESDAY: Uganda.

WEDNESDAY: Ghana, Iran, Israel.

THURSDAY: Denmark, Equatorial Guinea, Iran, Seychelles.

FRIDAY: Bahamas, South Korea.

SATURDAY: Malaysia, Malta.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

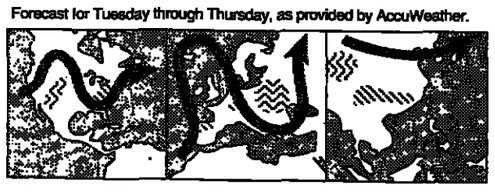
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Algarve	21/70	14/57	pc	25/77	15/59	s
Amsterdam	21/70	10/50	s	21/70	10/50	s
Ankara	21/70	5/41	s	23/73	9/48	pc
Athens	23/73	18/64	pc	24/75	18/64	c
Barcelona	22/71	16/61	pc	24/75	16/61	pc
Belgrade	24/75	13/55	c	26/78	14/57	c
Berlin	21/70	8/46	s	19/66	9/48	pc
Brussels	21/70	11/52	pc	23/73	11/52	s
Budapest	23/73	13/55	pc	24/75	13/55	r
Copenhagen	18/64	8/46	s	19/66	11/52	s
Costa Del Sol	22/71	14/57	pc	26/79	17/62	s
Dublin	17/62	9/48	s	18/64	11/52	pc
Edinburgh	18/64	9/48	pc	18/64	9/48	pc
Florence	24/75	13/55	c	25/77	16/61	c
Frankfurt	22/71	7/44	s	20/68	8/46	pc
Geneva	23/73	12/53	sh	21/70	12/53	r
Helsinki	18/64	8/46	s	19/66	9/48	pc
Istanbul	22/71	13/55	pc	23/73	17/62	c
Kiev	14/57	11/52	r	16/61	11/52	r
Las Palmas	23/73	17/62	s	23/73	16/61	s
Lisbon	20/68	14/57	c	21/70	14/57	c
London	21/70	11/52	s	22/71	11/52	c
Madrid	21/70	9/48	sh	27/80	12/53	pc
Mallorca	23/73	18/64	pc	27/80	17/62	pc
Milan	23/73	16/61	r	26/79	16/61	c
Moscow	20/68	13/55	c	19/66	14/57	r
Munich	21/70	12/53	sh	23/73	8/46	sh
Nice	21/70	17/62	r	24/75	15/59	r
Oslo	22/71	12/53	pc	23/73	11/52	s
Paris	22/71	13/55	c	22/71	12/53	sh
Prague	21/70	9/48	s	22/71	8/46	s
Reykjavik	17/62	12/53	pc	17/62	11/52	pc
Riga	16/61	11/52	sh	19/66	11/52	c
Rome	22/71	13/55	sh	23/73	14/57	pc
St. Petersburg	18/64	11/52	pc	19/66	12/53	sh
Stockholm	17/62	8/46	s	18/64	7/44	pc
Strasbourg	21/70	12/53	sh	25/77	12/53	pc
Tallinn	18/64	8/46	s	19/66	10/50	pc
Tbilisi	33/73	11/52	r	22/71	11/52	pc
Venice	21/70	14/57	r	24/75	16/61	c
Vienna	21/70	13/55	pc	23/73	11/52	c
Warsaw	14/57	6/46	sh	19/66	8/46	c
Zurich	20/68	13/55	sh	22/71	12/53	sh

Middle East

Abu Dhabi	37/98	21/70	s	36/97	19/66	s
Beirut	21/70	14/57	s	24/75	18/64	s
Cairo	31/88	14/57	s	33/91	17/62	s
Damascus	27/80	9/48	s	31/88	13/55	s
Jerusalem	24/75	10/50	s	29/84	13/55	s
Luxor	40/104	17/62	s	41/106	18/64	s
Riyadh	40/104	20/68	s	40/104	22/71	s

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream | Unseasonably Cold | Unseasonably Mild | Heavy Rain | Heavy Snow

North America
Sunny, hot and dry from the Southwest into the central and northern Plains Tuesday into Thursday, but cooler in the Northwest and the northern Rockies with showers. Heavy rains are likely in the Appalachians from Pennsylvania on south to Georgia and the western Carolinas.

Europe
Mostly cloudy and cool with showers over eastern Europe from Poland into western Russia and southward to Turkey. Soaking rain is likely over the northern slopes of the Alps and in northern Spain. Most of France and England will be pleasant with some sun and just a stray shower or thundershower.

Asia
Pleasant with some sun in Tokyo Tuesday and Wednesday, but showers are likely Thursday. Breezy and cool in Seoul Tuesday with a shower, then warming up with some sunshine. Mainly dry and warmer in Beijing. Rain will soak parts of southeastern China, but India will be hot and dry.

North America

	Today High	Today Low	Today	Tomorrow High	Tomorrow Low	Tomorrow
	C/F	C/F		C/F	C/F	
Anchorage	16/61	8/46	c	18/61	7/44	pc
Atlanta	26/79	16/61	t	25/77	17/62	t
Boston	16/61	10/50	r	18/64	11/52	r
Chicago	21/70	12/53	c	25/77	12/53	pc
Dallas	30/86	18/64	s	31/88	19/64	pc
Denver	28/79	12/53	sh	27/80	12/53	pc
Detroit	22/71	14/57	r	23/73	12/53	sh
Honolulu	31/88	23/73	s	32/89	24/75	pc
Houston	32/89	19/66	s	31/88	19/66	pc
Los Angeles	26/79	16/61	s	28/84	16/61	pc
Miami	32/89	24/75	pc	32/89	23/73	sh
Minneapolis	29/84	14/57	s	28/79	15/59	pc
Montreal	23/73	10/50	pc	21/70	10/50	sh
Nassau	31/88	24/75	t	31/88	23/73	pc
New York	22/71	14/57	r	22/71	14/57	r
Orlando	31/88	20/68	pc	31/88	20/68	pc
Phoenix	42/107	24/75	s	42/107	24/75	s
San Fran.	23/73	14/57	pc	21/70	13/55	pc
Seattle	19/66	13/55	sh	18/68	10/50	sh
Toronto	18/64	11/52	r	21/70	8/46	r
Vancouver	16/61	13/55	r	18/64	7/44	sh
Washington	24/75	18/64	r	23/73	15/59	sh

Asia

	Today High	Today Low	Today	Tomorrow High	Tomorrow Low	Tomorrow
	C/F	C/F		C/F	C/F	
Almaty	33/91	18/61	c	31/88	16/61	c
Bali	32/89	20/68	s	31/88	21/70	pc
Bangkok	32/89	24/75	sh	32/89	24/75	sh
Beijing	28/82	17/62	pc	19/66	14/57	sh
Bombay	31/88	24/75	pc	30/86	24/75	pc
Calcutta	38/100	26/79	s	38/100	26/79	pc
Chiang Mai	32/89	22/71	sh	32/89	22/71	sh
Colombo	29/84	24/75	pc	29/84	23/73	pc
Hanoi	32/89	26/79	sh	31/88	25/77	c
Ho Chi Minh	33/89	23/73	r	32/89	23/73	r
Hong Kong	29/84	25/77	sh	29/84	24/75	c
Islamabad	39/102	23/73	pc	39/102	24/75	pc
Jakarta	31/88	23/73	s	30/86	23/73	pc
Karachi	33/91	25/79	pc	33/91	25/79	pc
K. Lumpur	32/89	22/71	pc	31/88	22/71	pc
K. Kinabalu	31/88	21/70	pc	31/88	20/68	pc
Manila	33/91	23/73	pc	32/89	23/73	pc
New Delhi	41/105	28/82	pc	39/102	28/82	pc
Phnom Penh	31/88	23/73	r	31/88	22/71	r
Phuket	32/89	24/75	sh	32/89	24/75	sh
Rangoon	32/89	24/75	sh	32/89	24/75	sh
Seoul	21/70	8/46	pc	21/70	12/53	pc
Shanghai	27/80	18/64	c	25/77	18/64	c
Singapore	32/89	21/70	pc	31/88	21/70	pc
Taipei	31/88	23/73	r	30/86	24/75	r
Tokyo	23/73	19/66	sh	23/73	19/66	sh
Vientiane	30/86	26/79	sh	31/88	25/77	c

Africa

Algiers	23/73	11/52	s	25/77	14/57	s
Cape Town	18/64	7/44	s	19/66	8/46	pc
Casablanca	22/71	15/59	s	24/75	14/57	s
Harare	30/86	13/55	s	31/88	13/55	s
Lagos	29/84	22/71	sh	28/82	22/71	r
Nairobi	25/77	12/53	pc	25/77	12/53	pc
Tunis	24/75	14/57	r	25/77	14/57	s

Latin America

Buenos Aires	17/62	11/52	c	17/62	8/46	c
Caracas	31/88	24/75	c	31/88	25/77	c
Lima	23/73	18/61	pc	22/71	18/61	pc
Mexico City	27/80	12/53	sh	24/75	12/53	pc
Rio de Janeiro	21/70	14/57	pc	20/68	14/57	pc
Santiago	16/61	7/44	c	13/55	4/39	r

Oceania

Auckland	17/62	13/55	r	15/59	8/46	c
Sydney	17/62	10/50	pc	18/64	10/50	pc

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Key to Election Victory in Canada

To Seize a Majority in Parliament, a Party Must Take Ontario

By Howard Schneider
Washington Post Service

TORONTO — In constructing campaigns for this large but unevenly populated country, Canadian politicians must appear to treat all provinces equally — never, for example, ignoring vote-poor areas like Prince Edward Island for fear of aggravating already profound regional jealousies.

So where did Prime Minister Jean Chretien focus the endgame of his campaign? In Ontario.

And Jean Charest, leader of the Progressive Conservative Party? Ontario.

Ditto for the head of the Reform Party, Preston Manning, and, to a lesser extent, Alexa McDonough, leader of the New Democratic Party.

With parliamentary elections set for Monday, they all passed through for the final act, acknowledging that while Canada is, on paper, a federation of 10 provinces, Ontario is first among equals when it comes to electing a government. Relatively dense, developed and home to roughly one-third of Canada's 29 million people, it carries a weight far greater than that of any state in U.S. elections.

To win a majority in Parliament, a party must win here; win big, and it can assemble a majority with only modest support elsewhere.

That, in fact, is what polls indicate may happen to Mr. Chretien and his Liberal Party in this campaign. Beset in the west, struggling in the east, Mr. Chretien's party is expected to cling to power by dominating Ontario. The province has 103 of the country's 301 seats in Parliament, and the Liberal Party is projected to win 95 or more of them. They won 97 seats from Ontario in 1993, when Mr. Chretien became prime minister.

Indeed, if the Liberals do not achieve their expected near-sweep here, it could force them to form a minority government, and perhaps call another election if that proves unworkable.

One must make a base in Ontario if one hopes to govern Canada, said Line Maheux, a Reform spokeswoman.

The stakes are just as high for the other parties. With little chance of forming the next government, they at least want second-place status as the opposition.

The Progressive Conservatives of Mr. Charest were decimated in 1993. They won only two seats, not even enough to earn official party status in Parliament. They may again be headed for only token representation, centered in Quebec and the eastern provinces, absent a resurgence in Ontario.

The once-influential New Democrats, a product of Canada's left-leaning prairie populism, is similarly marginalized around a base in Saskatchewan.

And as the voice of western discontent in Alberta and British Columbia, the Reform Party likewise cannot claim anything other than regional status unless it breaks through in Ontario. Much of Reform's campaign has been designed around that reality, as the party tries to sell its recipe of tax cuts, government decentralization and a hard line on Quebec separation to suburban and rural voters throughout the province.

To farmers and country dwellers sprinkled around Ontario's vast landscape, Reform has emphasized its opposition to gun control. In the so-called 905 belt, the area code for Toronto's suburban sprawl, Reform has courted the hundreds of thousands of apartment and subdivision dwellers with promises to get tough on crime, cut taxes and not coddle Quebec separatists.

The party's message nearly worked in 1993. Reform finished second, sometimes closely so, in more than 50 Ontario districts, and garnered more than a million votes across the province. In Canada's winner-take-all system, the challenge facing the right wing is to avoid a split among conservative voters between Reform and the Progressive Conservatives, and to consolidate in a way to challenge the Liberals.

The results will have ramifications beyond the mere choice of a prime minister. Mr. Manning of the Reform Party, for example, contends that Canada's regional discord, whether manifested by French separatism in Quebec or feelings of isolation in the west, will not be resolved until Ontario opts for something other than the "status quo federalism" of the Liberal and Progressive Conservative parties.

Politics here is still dominated by the founding facts of the country, and by Ontario's central status as the seat of English Canadian history and influence. Where regional complaints are stoking opposition elsewhere, Ontarians take a more broadly national view and see little to complain about in the Liberal's deficit-cutting economic policies or moderate line on Quebec, said Graham White, a political scientist at the University of Toronto and an expert on Ontario politics.

"Because of its size and wealth and literally central position, people in Ontario tend to have a more national view," he said. "It is a certain, imperial, Canada-is-Ontario-extended point of view."

And little wonder. Canada has worked well for Ontario, the province that boasts the country's most diversified economy and, because of its size, the most resilience to the types of pressures that influence politics in the other provinces.

Even the contentious question of Quebec separatism has a different hue in Ontario, framed by the two neighbors' partnership as Upper and Lower Canada in colonial times. Many French and English Quebeckers have migrated to Ontario, and there is, generally, less anxiety over accommodating French Canada's concern over its future in North America.



Fred Chartrand/The Associated Press

Prime Minister Jean Chretien at a final campaign rally in Toronto.

POLITICAL NOTES

Crusade for Clean Air Standards

WASHINGTON — Major industry groups are protesting, senior members of Congress are complaining and the White House economic advisers are balking. But Carol Browner, the head of the Environmental Protection Agency, continues to defend doggedly the agency's proposal to toughen air-quality standards.

Ms. Browner insists that the current standards do not adequately protect the public from the effects of breathing soot and smog.

Toughening the standards, as the agency proposed in November, would put hundreds of counties out of compliance with the Clean Air Act and force states to impose costly controls on emissions of ozone and fine chemical particles, mostly caused by burning fuels.

A final rule has to be issued in July, and as the Environmental Protection Agency prepares its ultimate recommendation, an intense debate over the best course to take is roiling the Clinton administration.

While Ms. Browner has staunchly defended the proposed rule, the White House has maintained almost total silence.

There are Republicans and Democrats on both sides of the issue, and major geographical fault lines as well, with northeastern states favoring tougher standards and Midwestern ones tending to resist them.

The decision is especially significant because Vice President Al Gore will play a major role — probably the decisive one — in deciding whether to back up Ms. Browner, who has long been a close associate. Mr. Gore's actions could well affect how enthusiastically environmentalists support his presidential effort in 2000.

But environmentalists said they were worried that the White House would overrule Ms. Browner and weaken the proposed rule. *(NYT)*

Texas Governor's Tax Plan Fails

AUSTIN, Texas — When Governor George W. Bush proposed a sweeping restructuring of the unwieldy tax code in Texas earlier this year, he pledged to spare no effort to get his bill enacted. "I've got a lot of capital to spend," he said, "and I'm going to spend every dime of it."

But with the legislative session here winding down over the weekend, Mr. Bush's big plan has been killed, a stinging defeat that is the first big setback of his gubernatorial term and also denies him what was widely seen as a possible signature accomplishment if he makes a run for the presidency in 2000. Mr. Bush's plan would have given homeowners here a $3 billion a year cut in local property taxes, paid in part by increases in other state taxes.

While the bill amounted to a tax reduction, it appeared to violate Mr. Bush's campaign pledge to oppose legislation increasing the state sales tax. His bill would have increased the tax, now at 6.25 percent, to 6.75 percent. *(NYT)*

Quote / Unquote

President Bill Clinton, using commencement exercises at the U.S. Military Academy to begin his domestic lobbying effort on behalf of the extension of the North Atlantic Treaty Organization into Eastern Europe: "The bottom line to me is clear: Expanding NATO will enhance our security. It is the right thing to do. We must not fail history's challenge at this moment to build a Europe peaceful, democratic and undivided that will avoid repeating the darkest moments of the 20th century." *(WP)*

Jury Out for 3d Day In McVeigh Trial

Compiled by Our Staff From Dispatches

DENVER — Jurors returned to court Sunday for a third day of deliberations in the Oklahoma City bombing trial as tensions mounted among victims' relatives, many of who had traveled here for the trial.

Before starting deliberations on Sunday, the sequestered panelists had been behind closed doors for 15½ hours since Friday. Court officials said it had not been decided whether the jury would deliberate the entire day Sunday.

The seven-man, five-woman jury is considering the fate of Timothy McVeigh, the 29-year-old Gulf War veteran charged with murder and conspiracy in the bombing on April 19, 1995, that killed 168 people.

"The wait is easy compared to what I've gone through to get to this point," said Paul Heath, who was working on the fifth floor of the Alfred P. Murrah Federal Building when a 4,000-pound (1,800-kilogram) truck bomb exploded outside.

Mr. McVeigh's lead attorney, Stephen Jones, said that it was "a victory for the system that the jury is carefully studying the evidence and weighing the important decisions they have to make." *(AP, WP)*

Republicans Seize on U.S. Report of Iran Sales by China

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The State Department has officially informed Congress that the Chinese government has sold to Iran cruise missiles that enhance Iran's ability to disrupt Gulf shipping and challenge U.S. forces there.

The information is contained in an unclassified 25-page set of responses to questions presented to Secretary of State Madeleine Albright in February by Representative Gerald Solomon, Republican of New York.

For the most part, the cautiously worded document does little more than confirm what has been widely reported about China's weapons sales to Iran and Iran's efforts to develop ballistic missiles and chemical and biological weapons. The report was designed to produce as little news as possible, according to a State Department official who participated in preparing it.

Nevertheless, congressional Republican staff members welcomed it as another weapon to use in their effort to bludgeon the Clinton administration into imposing new sanctions on China and to influence the upcoming vote on extension of China's preferential U.S. trade status.

The report says it is "a matter of public record that China has transferred a number of C-802 ship-based anti-ship cruise missiles to Iran." It continued, "These missiles are roughly the equivalent of the French Exocet missile that Iraq used in 1987 to attack the frigate USS Stark in the Gulf, killing 37 Americans."

Asked about U.S. Navy intelligence reports that China has also supplied Iran with a land-based version of the C-802, which would be more difficult to detect, Mrs. Albright responded that China "has advertised" a land-based missile but declined to go further in an unclassified paper. Congressional Republican analysts said they took that as confirmation.

A week ago, the administration imposed economic sanctions on two Chinese companies found by U.S. intelligence analysts to have sold Iran chemicals and chemical processing technology that enhanced Iran's effort to develop nerve gas weapons. Those companies are privately owned.

The missile sales are a different story, according to Mrs. Albright's answers to Mr. Solomon. A "ministry-level corporation" known as China Precision Machinery Import-Export Corp., or Cpmiec, is the "logical originator" of the missile sales, the paper said.

That answer only states the obvious, a State Department official said. In China, as in many countries, Communist or not, weapons are manufactured and sold by state-owned firms, he said. While chemicals could be produced and exported without government complicity, he said, missiles could not.

Cpmiec is the same company sanctioned twice by the United States for supplying M-11 missiles to Pakistan.

The cruise missiles sold to Iran are considerably smaller and clearly do not meet the sanctions threshold of the missile control agreement, U.S. officials said. But Republican analysts said they should trigger sanctions anyway under a separate U.S. law aimed at blocking sales that destabilize countries or regions.

Tacitly, U.S. Acknowledges Danger of Air Bags

By David B. Ottaway and Warren Brown
Washington Post Service

WASHINGTON — After a 30-year battle to require the installation of air bags in every new car and truck sold in the United States, the technology intended to protect passengers and drivers in the severest accidents has suffered the equivalent of a head-on collision.

In the next few weeks the U.S. government is expected to give vehicle owners the option of deactivating their air bags, an acknowledgment that the long-promoted safety device is itself a potential menace. Air bags already have been installed in 60 million American cars and will be required features on all new U.S. autos beginning this fall.

The government's decision to let consumers decide whether to risk air bag injuries follows three decades of painful lessons learned at the expense of American motorists.

For years, as the toll of air bag deaths and injuries climbed, no action was taken and no warnings were issued — a record that calls into question the good faith efforts of safety advocates and carmakers and the government's competence as a guardian of public safety.

The National Highway Traffic Safety Administration contends that air bags have saved 1,900 lives in the last 11 years. But there is a growing consensus that the device approved by safety regulators is also badly flawed. Deploying at speeds of up to 200 miles an hour (320 kilometers an hour), the bags have inflicted injury and death on the most vulnerable drivers and passengers, even in low-speed crashes.

Many of the 39 children whose deaths the National Highway Traffic Safety Administration attributes to air bag deployments died in crashes of less than 15 miles an hour; air bag accidents also have killed 27 adults, mostly small women or frail and elderly victims, federal statistics show. Moreover, the National Highway Traffic Safety Administration recorded more than 300,000 air bag-related injuries in 1995 alone.

Motorists now face a dilemma. They may rely on air bags, despite the grim conclusion of safety experts that the bags now kill more children under 12 than they save and pose substantial risks to certain drivers. Or, as more than 20,000 consumers already have requested, they can spend up to $300 to have the bags disconnected while federal regulators ponder what further actions to take.

AMERICAN TOPICS

There's Always Tomorrow Or the Month After That

If James Thurber's defense of the procrastinator — "It is better to have loafed and lost than never to have loafed at all" — rings true to you, you're hardly alone. An estimated one adult in 5 revels in delay. But don't feel too content in knowing you have company.

A new study of procrastination and health shows that dawdling most definitely has a downside, reports Discover magazine. Dianne Tice, who teaches psychology at Case Western Reserve University in Cleveland, tested more than 100 college students. At the beginning of the semester, they were told that if they could not meet the deadline for a required term paper, they could have an automatic extension.

Students who were found by a separate assessment to be procrastinators not only turned their term papers in later, they received significantly lower grades.

There was some good news for lollygaggers. When the first deadline arrived, those who met it showed mild signs of stress and ill health, while the procrastinators were out enjoying life. But when the date of the extension neared, the dawdlers' stress levels soared and they began to report more headaches, stomach aches and colds.

Why, then, do people procrastinate? It boils down to fear, reports Ms. Tice — fear of failure, but also, paradoxically, of success. Success tends to raise other people's expectations, she said, which can be highly stressful. By delaying to the last minute, the dawdler offers himself a built-in excuse.

Short Takes

Hundreds dressed in the Union blues of the Civil War camped along the Charles River in Boston this weekend to honor the 54th Massachusetts Volunteer Infantry, the all-black regiment that found fame in the movie "Glory." The "re-enactors" were marking the 100th anniversary of the unveiling of a monument, on the edge of the Boston Common, honoring the regiment and its white commander, Robert Gould Shaw.

The unit's gallantry silenced wartime critics who said blacks could not fight. Colin Powell has credited the unit with creating the conditions that allowed him to become the first black chairman of the Joint Chiefs of Staff.

America's newest national park doesn't have towering forests, majestic rock formations or mountain lakes — just big skies and rolling expanses of prairie grass. The Tallgrass Prairie National Preserve in the Flint Hills of central Kansas was dedicated this weekend — "the most beautiful land in the world," in the words of a former senator from the state, Nancy Kassebaum Baker.

Tallgrass prairie once stretched from Ohio to the Rocky Mountains and from Canada to Texas. Less than 1 percent of that prairie remains, much of it in the Flint Hills, where it is used largely for cattle grazing.

When two masked carjackers forced Bessie Cassaro, 64, into the trunk of her car in Manhattan not long ago, she didn't lose her composure. Instead, she went to work disconnecting the wires to the brake lights and turn signals.

When the car passed through the village of Larchmont, 15 miles (24 kilometers) to the northeast, a police officer noticed that the lights were out and tried to stop the car. After a chase, it crashed into a tree. The carjackers fled on foot and two suspects were arrested nearby. Meanwhile, a police officer, hearing banging from the trunk, freed Ms. Cassaro.

Whereupon she patted herself, quite fittingly, on the back. "Aren't I a doll?" she asked. "I did a lot of good things, really used my head." The police agreed.

Janitors preparing an apartment for new renters in Largo, Florida, threw away the ashes of a dead woman. "My husband went through four dumpsters but couldn't find the ashes," said Kimberly Main, whose mother, June Wilhelm, died last year. "Now, I've lost my mother for the second time."

The clean-up crew apparently was sent in a week before the family's lease ran out. The family had intended to scatter Mrs. Wilhelm's ashes at the Grand Canyon, a place she had always wanted to visit.

International Herald Tribune

Away From Politics

The widow of Malcolm X, the black nationalist leader, was badly burned over most of her body in a suspicious fire in her apartment in Yonkers, New York. Betty Shabazz, 63, suffered third-degree burns over 80 percent of her body, said the police, who are treating the incident as a crime. *(AP)*

The U.S. crime rate fell in 1996 for the fifth year in a row, as murders dropped 11 percent from the 21,600 killings in 1995 and violent crimes showed the biggest decline since 1961, the FBI reported. *(Reuters)*

A navy two-star admiral and the army's top civilian lawyer are under investigation for sexual harassment. The navy relieved Rear Admiral R.M. Mitchell Jr. of his duties in Mechanicsburg, Pennsylvania, as commander of the navy's supply system and its more than 10,000 employees. The Defense Department's inspector-general is investigating allegations against the army general counsel, William Coleman 3d. *(WP)*

Fierce rainstorms and tornadoes pounded Oregon, Idaho and Washington, causing widespread damage but no injuries. The National Weather Service said tornadoes were reported near Tacoma and Vancouver, Salem, Oregon, and Camas, Idaho. A record 1.41 inches of rain fell at Seattle-Tacoma International Airport in a 24-hour period. *(AP)*

A review panel studying the U.S. Naval Academy has determined that a series of troubling scandals cannot be traced to a single "systemic flaw" at the Annapolis, Maryland, military college. Herbert Hetu, spokesman for the 20-member panel, said the group saw little connection between separate incidents over six months last year in which midshipmen were arrested on charges of drug use, sexual assault, child molestation and participation in a car theft ring. *(WP)*

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ASIA/PACIFIC

Voting for Burma, ASEAN Aims at Unity in Its Region

By Michael Richardson
International Herald Tribune

SINGAPORE — By deciding to admit Burma as a member next month, ASEAN has sent a sharp reminder to the United States and Europe that it will not yield to foreign pressure over human rights issues, analysts said Sunday.

But they also said that ASEAN, the Association of South East Asian Nations, had made its decision in a broader strategic context: to create a politically united Southeast Asia for the first time and prevent Burma from becoming too dependent on China.

"Obviously, the pressure on ASEAN from the U.S. not to admit Burma at this stage was counterproductive," said Ralph Cossa, executive director of the Pacific Forum CSIS, a Honolulu-based foreign policy research institute affiliated with the Center for Strategic and International Studies in Washington. "But ASEAN was really driven by the dream of uniting Southeast Asia and, probably, even more important, by wanting to counter Chinese influence in Burma." China is Burma's chief arms supplier and a major source of aid and trade.

The close ties between Beijing and Rangoon were underscored Friday when official Burmese news media reported that a broad economic and trade cooperation agreement had been signed with China. The move came only days after the United States imposed sanctions on Burma.

In Kuala Lumpur on Saturday, ASEAN foreign ministers decided to admit Burma, Cambodia and Laos as members when the group holds its annual meeting on July 24 and 25.

"It was unanimous," said Abdullah Badawi, the Malaysian foreign minister, referring to the decision on admission. "There were no reservations on the part of any ASEAN member."

ASEAN members are Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Burma, Cambodia and Laos have observer status.

At a summit meeting in Jakarta late last year, ASEAN heads of government decided that the three observer countries should be admitted simultaneously. They did not say when, although it was widely expected to be in 1997, either in July at the annual ASEAN meeting or in December at the next ASEAN summit meeting, both of which are to be in Kuala Lumpur.

The United States and the European Union had asked ASEAN to delay Burma's entry until the military regime in Rangoon improved its human rights record and eased political repression.

Analysts said the decision to admit Burma at the July meeting was particularly embarrassing for Madeleine Albright, the U.S. secretary of state, who recently told a congressional panel in Washington that she had written to various ASEAN leaders to persuade them to delay Burma's entry.

Mrs. Albright, and her counterparts from the EU, Japan, Canada, Australia and New Zealand, all of which have expressed distaste for the Burmese military regime, are scheduled to meet the expanded group of ASEAN foreign ministers, including the Burmese representative, for talks in Kuala Lumpur next month, immediately after the annual meeting of the association.

Mrs. Albright indicated that the United States was considering tightening its sanctions aimed at the military rulers of Burma.

"They are genuinely immoral, brutal leaders who don't seem to care," she told the congressional panel. "So, I think we need to look at how these sanctions are going to be carried out and the next steps."

The Clinton administration last month banned all new American investment in Burma, citing increased political abuses in the country and its continued production of opium and heroin, much of which is smuggled to the West.

Japan had also expressed concern that Burma's early membership could be seen as supporting the Burmese military government, which recently detained more than 300 members of the country's democratic opposition to prevent them from meeting.

In an usually forthright comment Wednesday, Ryutaro Hashimoto, Japan's prime minister, said Tokyo would "not like Burma's entry to be seen as a pardon for the military regime."

Daw Aung San Suu Kyi, the Nobel Peace Prize laureate who heads the opposition National League for Democracy in Burma, said in a video interview made public Thursday that if Burma was admitted to ASEAN, it could make the country's military rulers "even more obdurate and oppressive than ever."

ASEAN maintains that a country's domestic politics are not a criterion for United Nations membership and nor should they be for ASEAN membership.

But ASEAN officials said that with Burma in the group, it would broaden channels of communication with Rangoon and encourage the country to intensify moves toward a free-market economy and gradual democratic reform.

ASEAN countries are among the leading sources of foreign investment and trade for Burma.

"Isolation during the Cold War only made Burma poorer and more autocratic," said Dewi Fortuna Anwar, a regional analyst at the Indonesian Institute of Sciences in Jakarta. "Having Burma on the inside will give ASEAN, and perhaps indirectly the West, more influence and leverage in Rangoon."

The annual meeting of ASEAN next month marks the 30th anniversary of the group.

Mr. Abdullah denied that ASEAN, by deciding to admit Burma in July, was sending a signal to the United States and other countries not to interfere in its affairs.

"We are not sending any signals to anyone," he said. "We are just doing what is best for the region and ASEAN."

However, Ali Alatas, the Indonesian foreign minister, indicated the strategic context of the decision when he said that with all 10 Southeast Asian countries in ASEAN, the region would be politically unified, and thus better equipped to maintain stability and security.

BRIEFLY

Students in Seoul Protest Against Kim

SEOUL — Militant students, brandishing iron pipes and crude firebombs, battled riot police in Seoul on Sunday as they demanded the resignation of President Kim Young Sam.

As many as 10,000 students took to the streets, clashing with the police at entrances to subway stations. Armored police shot volleys of tear gas in response.

The student protest, the most violent in almost a year, was set off by Mr. Kim's refusal to bow to opposition demands and reveal how much he spent on his election campaign in 1992.

Allegations that Mr. Kim grossly overspent in his campaign have surfaced in the aftermath of a corruption scandal. *(Reuters)*

Jakarta to Allow New Java Voting

JAKARTA — Indonesia will hold new elections at 121 polling stations, bowing to protests set off by allegations of vote-rigging after a landslide victory by the governing Golkar party, reports said Sunday.

The new polls will be held Tuesday at centers on Madura, an island in East Java, where riots erupted after general elections Thursday.

The move comes at the request of local election committees, said Suryatna Subrata, secretary-general of the National Election Institute, adding that voting in those districts had been disrupted by a "security disturbance."

With nearly 85 percent of the votes counted, Golkar was leading with a 74 percent share. Final results are not expected before Thursday because of the remoteness of some stations. *(AFP)*

China Presses U.S. On Trade Status

BEIJING — China urged the United States on Sunday to grant it permanent most-favored-nation trading status, warning that any cancellation would hurt Washington's hopes of carving out a piece of the huge Chinese market.

The China Daily quoted the deputy foreign trade minister, Sun Zhenyu, as saying that Washington "should encourage bilateral trade and investment by permanently settling the MFN issue."

President Bill Clinton last month that he would renew the trade status for China for another year, despite disputes with Beijing over issues such as human rights. But Congress is expected to fight to overturn Mr. Clinton's decision. *(Reuters)*

Another Shift in Loyalties Foils Taleban's Takeover

By Kenneth J. Cooper
Washington Post Service

MAZAR-I-SHARIF, Afghanistan — After a long day of meetings with newfound allies of the Taleban Islamic militia, Foreign Minister Mohammed Ghaus put on his dark sunglasses and met the international press inside the foreign office of what amounts to a ministate here in northern Afghanistan.

Mr. Ghaus was asked whether the fundamentalist Taleban regime in Kabul, dominated by ethnic Pashtuns from the south, would induct members of other groups to make its government more representative of a fractured nation.

"All the ethnic groups together will make one government," he replied.

But even as Mr. Ghaus spoke last week, in another part of this provincial capital ethnic Hazaras were engaged in firefights with the Taleban's Pashtun soldiers.

Within a couple of hours, ethnic Uzbek and Tajik soldiers loyal to the Taleban's professed allies were sneaking along roofs and sidewalks behind the Pashtun militiamen, firing grenades at them.

In the overnight street battle that followed, a Taleban detachment of 3,000 was forced from the city and Mr. Ghaus disappeared, suggesting that the foreign minister may have been captured or killed in the factional fighting.

And so slipped away the Taleban's chance to unite Afghanistan under a central government of its own for the first time in two decades.

An incessant civil war since a decade-long occupation by the Soviet Army ended in 1989 has been sustained by ethnic hatreds, tribal traditions that give Afghans a warrior spirit and foreign countries that have picked sides to further their own interests.

With the help of Abdul Malik, the northern ministate's foreign minister until he defected two weeks ago from Abdul Rashid Dustam, the ethnic Uzbek leader, the Taleban had for a few days gained control of about 90 percent of Afghanistan.

But Mr. Malik's second turnabout has in recent days touched off attacks on the Taleban across northern and central regions, with fighting ranging within 64 kilometers (40 miles) of Kabul.

The Taleban has continued to rule the capital and about two-thirds of the country.

By imposing a stringent Sunni version of Islam, the Taleban has for three years tried to re-establish the hegemony of Pashtuns from southern Kandahar Province, who ruled the country through a monarchy for more than a century, ending in 1973.

Afghanistan means "land of the Afghans," another name for Pashtuns, who are renowned as a warrior race that was never subdued by colonial Britain. They are Afghanistan's largest ethnic group, but not a majority, making up about 40 percent of its 21 million people.

Smaller ethnic groups have chafed at the resumption of Pashtun rule — even if it has been imposed in the name of Islam, the religion of 99 percent of Afghans.

The disastrous battle that abruptly ended Taleban rule in Mazar-i-Sharif began when militiamen tried to disarm ethnic Hazaras, predominantly Shiite Muslims who make up 19 percent of the population. "No Afghan will surrender his weapon to anyone," a northern commander observed.

Though not the smallest group, Hazaras have had the lowest social status among Afghans. In October, the Taleban faced a similar armed revolt in several towns just north of Kabul by Persian-speaking Tajiks, who make up a quarter of the population and are the second-largest ethnic group after the Pashtuns. After withdrawing, Taleban planes bombed homes near those of suspected "mutineers" and then the militia relocated to Kabul the population of entire towns after the territory was recaptured in January.

The Taleban is likely to take similar vengeance on Hazara neighborhoods in bombing raids on Mazar-i-Sharif that began Saturday, the same day that the disfigured bodies of a dozen Hazaras were found in a Kabul neighborhood.



Zaheeruddin Abdullah/The Associated Press

Afghan refugees piling onto a bus in an attempt to flee fighting north of Kabul. Opposition forces were attacking the Taleban militia, which holds a strategic town along the country's only north-south highway.

Russia Signals A New Status With Japan

By Mary Jordan
Washington Post Service

TOKYO — For the first time in almost 100 years, a Russian destroyer will dock in Tokyo this month. The courtesy call is perhaps the most visible sign of the warming relations between two neighbors that have been feuding for most of this century.

Japan and Russia have begun exchanges of top defense officials and are even talking about a new arms trade. Last month, President Boris Yeltsin proposed an annual meeting between the leaders of the two countries, saying that "we have good relations with Japan now."

Foreign Minister Yukihiko Ikeda paid a visit to the Kremlin recently and pledged to assist and help accelerate Moscow's retraining of its soldiers in the Russian Far East for civilian jobs. Russian officials then gave him more than 100 personal items from Japanese who had been forced to work in Russia by Stalin after World War II. The Japanese passports, photographs and diaries had belonged to some of the more than half a million Japanese detained in Siberian labor camps after the war.

"As you can imagine, this is an emotional issue," a top Japanese official said in an interview last week. The turnover of the personal items from the dark post-war period, he said, "is a new signal that Russia is ready to go ahead" with better relations.

Three days after the first atomic bomb was dropped by Americans on Hiroshima at the end of World War II, the Soviet Union entered the war against Japan. Soviet troops then took four islands near Japan, the Kurils, which Russian soldiers still occupy. Stalin's treatment of Japanese after the war, which led to the deaths of 55,000 Japanese laborers in Siberia, according to the Japanese, further strained Tokyo's relationship with Moscow.

But now there are signs of a far friendlier dialogue, and the much heralded arrival of the Russian ship Admiral Vinogradov is accompanied by accelerating trade, which is expected to top $6 billion this year. Japan is also heavily invested in a monumental $25 billion project to extract oil and natural gas from Russia's Sakhalin Island. Japan wants to wean itself from its dependence on Middle East oil, and is betting Russia can help it do just that.

Many political analysts attribute the warming ties to both Japan's and Russia's need to find more Asian friends as their concern over China increases. Others say Russia misses the Cold War days when it worried the United States and mattered more on the global stage; improving relations with Japan gives the United States something to think about. Still others say Russia, wincing from NATO expansion to the West, is determined to assert itself in the East.

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CHINA: *Mainland Joyfully Anticipates Return of Lost Territory*

Continued from Page 1

country. "We can't allow colonialism anymore. Recovering Hong Kong is a time for our nation to rejoice."

Asked what she thinks of Hong Kong itself, Mrs. Wang crinkled her nose in disgust: "It's a bad place. Hong Kong people have poor morals and bad habits. All that will be improved under Chinese rule."

China's leaders have promised not to alter Hong Kong's capitalist and free-wheeling ways for at least 50 years. Although buoyant stock and property markets there reflect general optimism about the transition, people accustomed to living under Beijing's ever-changing policies find it hard to believe that the nation's leaders will, or should, keep their hands off entirely.

"That's not really possible," said Chen Ying, 35, a producer at a Shanghai radio station, when asked about the 50-year promise. "Conditions are always changing."

For months, Chinese authorities have been carrying out a major propaganda campaign about Hong Kong, offering a version of history in numerous television specials and long newspaper articles that mixes accurate accounts with selective memory.

For instance, it is basically correct to say, as Chinese accounts do, that Hong Kong was obtained by Britain in an act of imperialistic conquest more than 150 years ago, after winning a war with China for the right to import opium. It is also fair to call the three treaties establishing British rule over Hong Kong "unequal" because Britain forced China's Manchu rulers to accept them under threat of military action.

But the mainland's current versions of history also give China credit for securing Hong Kong's prosperity in the past 50 years, saying its own "stable and peaceful approach" toward Hong Kong — not invading, essentially — was the critical factor in the colony's development.

Certainly, Britain's free-trade policy in Hong Kong has been the main factor in the colony's success, even if living without invasion was a condition.

It is also only part of the story to argue, as many mainland accounts do, that Britain has robbed Hong Kong residents of their patriotic feelings for the motherland. The vast majority of Hong Kong residents are refugees, or their children, who fled China to escape Communist Party rule.

Chinese officials orchestrating the Hong Kong-related programs readily admit that their intention is to build patriotism, which they see as bolstering popular support for the Communist Party.

But beyond the propaganda — which also portrays Hong Kong's return as a moment of joyous reunification among Chinese compatriots — many ordinary Chinese betray a deeper mix of emotions about their southern cousins, combining condescension and envy.

"When I see Hong Kong businessmen walking around with their fancy clothes and girlfriends, it makes me sick," said Wang Zhiliang, a clothing store manager in Beijing. "They act like they're better than us, but actually, they're not as good. They know little about Chinese culture."

Part of this sentiment seems to stem from the Communist view that colonial Britain polluted Hong Kong with capitalism and vice.

■ Protest Vilifies China

More than 3,500 protesters China, marched along the main street of Hong Kong on Sunday to commemorate Beijing's crackdown in 1989 on student-led democracy campaigners, Reuters reported. They waved banners demanding that China release jailed dissidents, and some bore a coffin on which was painted "the butcher government will remain notorious for a million years."

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Tact Aside, Albright Berates Balkan Leaders

By Michael Dobbs
Washington Post Service

BELGRADE — Diplomats have many ways of making their displeasure felt, ranging from subtle body language to more formal protests. But rarely do they go to the lengths that the U.S. secretary of state did, publicly humiliating a Croatian government minister and accusing the Serbian president of "stonewalling."

"You should be ashamed of yourself," Madeleine Albright said Saturday to Jure Radic, the Croatian reconstruction minister, after listening to a harrowing tale of returning Serbian refugees who were beaten and driven from their homes last month by a vengeful Croatian mob. "How can you allow such things to happen?"

Later, Mrs. Albright told President Slobodan Milosevic that his country was at a political "crossroads." If Serbia wants to rebuild its economy and rejoin the international community, it has to introduce democratic reforms and cooperate with the international war crimes tribunal for the former Yugoslavia in The Hague, she said. The alternative was to be "left behind" while the rest of Europe moved forward.

"The people of Serbia are suffering because their leader is not fulfilling his obligations," Mrs. Albright said to reporters after her one-hour meeting with Mr. Milosevic.

Mrs. Albright's strong language, during her first visit to the Balkans as secretary of state, was part of a new U.S. strategy — an attempt to step up public pressure on the signatories of the Dayton peace accord of 1995 to abide by their commitments. Over the past few months, Western governments have become frustrated by the seeming impunity enjoyed by indicted Bosnian war criminals and by delays in repatriating hundreds of thousands of refugees.

Mrs. Albright's two-day Balkan tour began on a confrontational note with what U.S. officials described as a particularly tough meeting in Zagreb, the Croatian capital, with President Franjo Tudjman, whom Washington has viewed until recently as a strategic partner for the United States in resisting Serbian aggression.

State Department officials said Mrs. Albright warned Mr. Tudjman that she might act to block millions of dollars in international aid unless Croatia met its obligations under the Dayton pact.

At a joint news conference, Mrs. Albright called on Mr. Tudjman to display "moral leadership" and make it possible for Croatia's 600,000 Serbs, who fled in advance of a Croatian military offensive in July 1995, to return to their homes. So far, only a few thousand have returned, in the face of bureaucratic and other obstacles erected by the Croatian authorities. Some of the returnees have since been driven from their homes.

Mrs. Albright sought to dramatize the refugee problem by visiting the Croatian region of Krajina, which was inhabited for centuries by Serbs and was the scene of an ultimately unsuccessful Serbian rebellion against Croatian rule from 1991 to 1995. Arriving in the region by helicopter with a large entourage of journalists, Mrs. Albright dropped in on two refugee families who fled Croatia in 1995 and were beaten when they tried to return last month.

When Mr. Radic, the Croatian reconstruction minister, suggested that the Serbs had provoked the violence, Mrs. Albright accused him of "lying" and turned her back on him. Later, she dressed him down before dozens of journalists assembled in front of a carefully selected backdrop: a burned-out house. She said she was "disgusted" by the failure of the Croatian authorities to stop the recent wave of violence.

The village that Mrs. Albright visited, Prevrsac, is now inhabited almost exclusively by Croatian refugees from neighboring Bosnia who were themselves driven from their homes by Serbs. They reacted to her sudden appearance in a convoy of U.S. Army helicopters with shrugs and insisted that they would continue to oppose the return of Serb refugees.

Moving on to Belgrade, Mrs. Albright met with Mr. Milosevic, who was the target of several months of democracy demonstrations after elections in November. This was followed by meetings with leaders of the opposition coalition known as Together and an announcement of an increase in U.S. assistance to independent Serbian media outlets to about $5 million a year.

The State Department spokesman, Nicholas Burns, later suggested that Mrs. Albright had emerged empty-handed from her talks with Mr. Milosevic, saying that she had gotten "no encouragement on any subject" from the Serbian leader. Mrs. Albright described her meeting with Mr. Milosevic as "probably the toughest" she has had with any foreign official since becoming secretary of state in January.

By turning up the level of American rhetoric, Mrs. Albright is seeking to apply additional pressure on Balkan leaders who have implemented the Dayton peace agreement selectively. But she is also laying down political markers that could come back to haunt the Clinton administration over the coming months unless there is significant progress on the return of refugees and cooperation with the international war crimes tribunal.

■ U.S. Envoy Urges Cooperation

Mrs. Albright said Sunday that her government remained committed to building a lasting peace in Bosnia as long as the former war factions showed a willingness to cooperate, Reuters reported from Sarajevo.

"What is happening here in Sarajevo is the modern-day version of a Marshall Plan where America provides assistance, but it provides assistance to those who help themselves," Mrs. Albright said.

She said U.S. aid could dry up if Bosnia's political leaders did not uphold their obligations under the Dayton accords.



Nikola Solic/The Associated Press

Mrs. Albright walking by a damaged Serbian home in Prevrsac with the Croatian foreign minister, Mate Granic.

BRIEFLY

Rome Fires Envoy

ROME — Italy said Sunday that it had revoked the appointment of its new ambassador to Albania because he had shown in published remarks that he was not the candidate for the job.

The decision was made days after *Manfredo Incisa de Camerana* was appointed to replace Paolo Foresti.

Mr. Incisa was quoted in La Repubblica on Saturday as saying that the Foreign Ministry was going through a period of weakness and that Mr. Foresti had always been "politically aligned." *(Reuters)*

Swiss Find an Ally

BERN — Faith Ryan Whittlesey, President Ronald Reagan's ambassador to Switzerland, has said that the Clinton administration would set a dangerous precedent if it forced Switzerland to renegotiate a 1946 treaty on Nazi gold.

In an interview with the daily newspaper Bund, Ms. Whittlesey said renegotiating the accord would bring into doubt the reliability of the United States as a negotiating partner, and would set a precedent under which Mexico and Russia could renegotiate accords under which they yielded territory to the United States. *(AP)*

The EU This Week:

Significant events this week in the European Union:
International Herald Tribune

• EU foreign ministers meet in Luxembourg on Monday. Key topics include a discussion of whether to return ambassadors to Iran following a German court ruling that found Tehran responsible for assassinations.

• Leaders of European Socialist parties hold their semiannual meeting in Malmo, Sweden, from Thursday to Saturday.

Pontiff Urges Poles to Uphold Morality

Compiled by Our Staff From Dispatches

WROCLAW, Poland — Pope John Paul II warned 200,000 pilgrims Sunday that Central and Eastern Europe could see its newly won freedom slip away if people did not help each other and stick to traditional values.

At a rain-soaked Mass held in a field in central Wroclaw, the pontiff also rebuked critics who say the Roman Catholic Church endangered freedom by trying to impose its version of morality on others.

"It's especially nonsense in this country," John Paul told his fellow Poles. "In this land, the church has proved so many times that it has been a guardian of freedom, in the past century, and in the last 50 years."

But he warned that selfishness, "the unrestrained desire for profit" and a drift away from God and religious teachings threatened to impose a form of spiritual slavery.

"When chaos and confusion reign in the moral sphere, freedom dies," John Paul said.

The church has long been a pillar of life in mostly Catholic Poland, helping the Solidarity movement to topple the Communist regime in 1989. But it has seen its influence steadily wane since then. Many Poles complain about priests interfering in political life, in issues such as the country's bitter debate over legalizing abortion.

On his seventh trip to his homeland since becoming Pope in 1978, John Paul has expressed concern about the effects of Poland's political and economic changes, especially on the young and poor, and has sought to steer his country on a middle path between Communist oppression and Western liberalism and materialism.

Seated under a white roof on an outdoor stage, the Pope spoke at times to a sea of umbrellas as a cold rain fell intermittently. Yet those at the Mass, some of whom arrived early in the morning to get a good spot, did not seem to mind the bad weather, huddling in their winter coats and gloves.

"I love him, everybody loves him, he is such a special person," said Maria Komornicka, 65. "I hope that with this visit he will first of all help the young people to turn back to a good life and the Lord Jesus."

The 77-year-old pontiff, who looked tired and frail when he arrived in Poland on Saturday, seemed stronger during the Mass on Sunday, although he delivered his half-hour sermon sitting down.

He leaves Monday for religious ceremonies in Legnica and Gorzow Wielkopolski in western Poland, and will meet with presidents from across the region on Tuesday in Gniezno. Also on the schedule for his 11-day tour are stops at his parent's tomb in Krakow; the school where he studied theology in secret during the Nazi occupation, and the Tatra mountains, where he used to ski.

The visit began in the same week that Poles approved a new constitution by a small margin. It is the first fully democratic charter since the fall of communism in 1990, but it was criticized as too liberal by the church hierarchy. *(AP, WP)*

Have Russia And Ukraine Sealed Ties?

By Michael Specter
New York Times Service

MOSCOW — After years of doubt and tensions, the presidents of Russia and Ukraine have signed a friendship treaty designed to strengthen the weak bonds between the two Slavic states.

The treaty was signed in Kiev, the Ukrainian capital, on Boris Yeltsin's first trip there as president of Russia. Many previous visits were scheduled or considered but all were postponed because of tensions over the future of the Black Sea Fleet, territorial disputes in the ethnic Russian region of Crimea, which is part of Ukraine, and other issues.

But now, with NATO ready to expand eastward, Russia is looking to bolster its defense and prove to the West that it still has power worth worrying about. So Russia has quickly made past problems disappear — at least for a while.

"My friend President Kuchma and I vow at this sacred place, at the Tomb of the Unknown Soldier, that the treaty that we sign today will be fulfilled," Mr. Yeltsin said as he stood with President Leonid Kuchma on Saturday. He said he would issue strict orders to the Russian leadership that the relationship with Ukraine "is a priority of priorities for us."

"We respect and honor the territorial integrity of Ukraine," Mr. Yeltsin added, in an important aside. Many Russian leaders have urged the Kremlin to attempt to claim the city of Sevastopol in the Crimea, the base of the Black Sea Fleet, as Russian.

The treaty's main points stress political and commercial cooperation, and it includes a joint statement on the Black Sea Fleet that will permit Russia to operate on Ukrainian territory.

But real questions remain about the new alliance between the two states. The first is how seriously Ukraine takes its commitment to Russia. The second is how long the warm relations will last if Ukraine continues cozying up to the North Atlantic Treaty Organization.

Mr. Yeltsin made a big show Friday of promising to defend Ukraine "in extreme situations." But Ukraine has never sought the protection of Russia since it gained its independence in 1991 and nobody in Kiev expressed any interest in Mr. Yeltsin's offer.

"I think President Yeltsin was ruled by the best of intentions but there were no requests from the Ukrainian side" for such defense assurances, said Volodimyr Korbulin, Ukraine's top military official.

Romanian Investment Summit

Bucharest, October 29 & 30, 1997

Romania is increasingly attracting the attention of the international investment community. To assess future investment potential and to highlight the progress Romania is making in its bid to position itself as one of the more exciting investment opportunities in the world, the International Herald Tribune is planning to convene a major investment summit in Bucharest on October 29 & 30.

President Emil Constantinescu will give the opening keynote address of the "Romania Investment Summit." Other speakers will include key members of Romanian government and business as well as business and financial leaders from around the world.

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Baby Boomers Facing Up to Harder Times

By Justin Keay
Special to the Herald Tribune

LONDON — Baby boomers, those who grew up after World War II and now dominate global business and finance, have long been identified as a special generational category.

Yet, though they are targeted by advertisers for their spending potential and by headhunters for their years of expertise, the end of the so-called jobs-for-life era has hit boomers harder than anybody.

"We got into the world of work and found life was good," said Richard Knowles, a boomer who was a manager at Imperial Chemical Industries PLC of Britain. "Our prosperity reinforced our expectations."

Today, as a senior consultant for MSL International Search & Selection, Mr. Knowles places executives for companies across Europe. He said that boomers find the prospect of life outside a conventional 9-to-5 environment hard to take.

"To have spent 25 years in work and find that what you always took for granted — security — is no longer there, is rough, especially when you have family obligations," he said.

Given the new insecurity, what is it that makes boomers tick?

Boomers were beneficiaries of an economic climate that led Prime Minister Harold Macmillan of Britain to say, "We've never had it so good."

American boomers, in particular, enjoyed a standard of living and freedom when they came of age that their parents only dreamed of, their confidence reinforced by the knowledge that the United States had become an economic powerhouse.

According to "Connecting With the Baby Boomers," a new report incorporating findings from 700 interviews in 16 countries, the overall sense of prosperity and job security was shared by boomers in Western Europe and Japan.

"The similarities are much stronger than we imagined, spanning cultural differences," said the report's author, Jane Gwilliam. She noted that while many 45-year-old boomers were looking forward to promotion, many 55 year olds were starting to think about life after retirement.

The report found that the generation had considerable antipathy toward information technology. Of the countries covered, only in Denmark, Sweden and the United States were boomers at ease with developments such as the Internet and personal computers. Others viewed such technology as the ally of the younger generation.

A resistance to innovation was echoed in what the survey found about attitudes to savings and financial institutions. Far from being risk-takers, boomers tend to favor conservative investments such as government bonds and savings accounts, the report found.

Life for boomers has essentially come full circle, Ms. Gwilliam suggested. The generation that came of age questioning the establishment has become the establishment, she said, and its members behave in much the same way as their parents did.

"Boomers are overwhelmingly preoccupied with the failings of the modern world," Ms. Gwilliam said, and they think about problems such as "why the streets are no longer safe, why judiciaries are not effective in curtailing crime, why politicians are corrupt."

But erstwhile change-the-world boomers are now more inclined to step back from the idealism of the sixties, she said. Home, friends and family are now what matter most.

Mr. Knowles said it was too early to predict how European boomers, especially those in France and Germany, would cope with a business climate in which mid-career employment possibilities would be considerably more limited than what they had hoped for.

What is clear, analysts say, is that the boomers may be the last generation to have enjoyed a high degree of employment security at any time in their careers. Recruitment consultants say that younger generations, having grown up in a tougher economic climate, are more flexible and have lighter expectations.

Big Brother at Your Work Site?

By Kirstin Downey Grimsley
Washington Post Service

WASHINGTON — Feel like someone is watching over your shoulder?

You might be right.

About 35 percent of all U.S. companies keep an eye on their workers by recording their telephone calls and voice mail, scrolling through their computer files or videotaping them as they work, according to a survey of 906 large companies by the American Management Association.

Workers often might not know they are being observed, the survey found. The association said up to 23 percent of the firms reported they do not tell workers about the practices.

About 37 percent of the companies monitor telephone numbers called by their workers and the length of time they spend on the phone, the survey found, and about 33.7 percent watch them with security cameras to prevent theft, violence or sabotage.

About 16.2 percent of companies peep into their workers' computers to measure the number of keystrokes per minute or what they have on their screens, according to the survey, while about 13.7 percent look at workers' actual computer files.

Eric Rolfe Greenberg, the association's director of management studies, said companies use such surveillance to control unauthorized uses of company equipment — such as workers using company telephones to make long-distance calls, or scrolling the Internet for recreational purposes — and to monitor employees to ensure they are complying with company rules and regulations.

"It should have the effect of limiting frivolous or non-necessary business communications," Mr. Greenberg said, although he added that some firms might use such devices "where they are trying to nail employees."

At BellSouth Corp., executives listen in on telephone conversations to make sure employees who work with customers are doing a good job, said Joe Chandler, company spokesman. The company calls the process, which has been common within the industry for decades, "observations."

"As long as we are providing service, we want to make sure we're providing good service, and observations are part of that," Mr. Chandler said.

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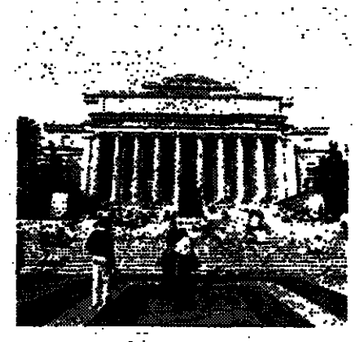
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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The Clinton Conundrum

As the first summer of Bill Clinton's second term approaches, that peculiar mixture of the admirable and the degrading continues to distinguish his presidency. How else to describe the twin spectacles of last week? There was Mr. Clinton, elder statesman baby boomer, confidently bantering with Prime Minister Tony Blair in London and rewriting the political map of Europe, even while becoming more enmeshed at home in what surely are the most lurid accusations ever directed against a sitting president. The American economic boom is helping to keep Mr. Clinton's approval ratings at an all-time high, yet a sense of personal scandal makes this a presidency constantly on the edge.

The precarious feeling about this White House derives partly from what the office has become. The historian Michael Beschloss says that Mr. Clinton's presidency may be a reversion to something more common in the 19th century, when presidential success depended on cooperating with, and often yielding to, a powerful Congress. The modern presidency was elevated by two developments, he says — the expanding federal government and the central role of the Cold War in American thought. With both these factors now in eclipse, the presidency seems to be shrinking, as does any individual executive's ability to dominate the national consciousness with security issues or to transform the lives of Americans with domestic reform.

Mr. Clinton tried at least some of that in his first two years, by declaring that he would complete the New Deal and the Great Society in health care. The ensuing debacle ensured that the rest of his time in office would consist of emotionally unsatisfying mini-steps.

The highly partisan nature of the political landscape in Washington has also clouded the perception of the presidency and its capability. Fifty years ago, the last time the United States had a Democratic president and a Republican Congress, Harry Truman confronted his foes and then took his case to the people. Mr. Clinton used confrontation in 1995, but has now achieved a remarkable parliamentary majority that has brought progress toward a balanced budget and the first arms control agreement to win Senate approval in a decade.

Whether you agree with the results or not, it is obvious that this president is as skillful as any in modern times in finding and occupying the political center of gravity — at least for certain moments in a campaign or legislative battle.

Fortune magazine has declared this month that the U.S. economy is stronger than it has ever been before. Since Mr. Clinton would get much of the blame if it failed, he is entitled to claim some of the credit. On a practical level, prosperity is probably his greatest shield against scandal. There is much of this presidency that remains admirable above and beyond the blessings of good times. Mr. Clinton's actions on trade, budget policy, gun control, the environment, tobacco and affirmative action are impressive. We wish he showed more backbone on welfare, insisting on the means to employ the people who may be kicked off the rolls in what is probably the scariest instance of social engineering toward the poor in our time.

But it is not disagreement on such policy issues that creates the mutable, muddled feelings that surround Bill Clinton. The ragged edge of his presidency, its novelistic quality, has to do with the outsized character questions dogging him since 1992. What he did while governor of Arkansas, in a hotel room or with a failed real estate deal, does not of course directly relate to his accomplishments. Just the same, if talk show banter is any guide, the public remains troubled and confused by the president's behavior — riveted and wanting to averts its eyes at the same time. History will have a hard time defining the emotional complexity of many people's reactions to a man of such remarkable talents that he is almost like a great athlete at the top of his game, and yet flawed by lack of discipline, by self-pity, defensiveness, a volcanic temper and being too eager to please.

The president may never be able to fix this undercurrent of concern. Recently, Senator Bob Dole summed it up well when he called the president a "likable rogue" who is "always pushing the envelope." If Mr. Clinton were truly to center himself in the hearts of Americans, he would have to come clean over what happened with Paula Jones, reaching a settlement in the best interests of all involved, not to mention the country, and cooperate fully with the Whitewater and related investigations and put these issues as well behind him. That he has handled these personal and legal crises so badly while doing some parts of his job so well is part of the drama — indeed, the psychodrama of the Clinton presidency. It also helps explain why a country basking in prosperity cannot shake a lingering wariness about the gifted but imperfect and uncandid man in the White House.

— THE NEW YORK TIMES.

A Clinton Foreign Policy for a Cooperative West

By Stephen S. Rosenfeld

WASHINGTON — President Bill Clinton is attaining one of his major second-term political goals: He is putting a distinctive personal stamp on American foreign policy.

Not that the policy has yet proved out. But Mr. Clinton has an idea of where he wants to go in dealing with Europe and Russia — the big-ticket items — and he is going there.

The skeptics recognize his ambition and, many of them, attribute it to personal glory-seeking and selective frustration on the domestic side. Few recognize the substance of what he is trying to do.

The president laid out his approach to a few journalists on May 23 as he set off on a week of celebrations and follow-ups to the 50th anniversary of the Marshall Plan.

With that plan, the United States rebuilt a war-shattered Western Europe as a sturdy companion rampart of the Cold War. But with the passing of the Cold War, almost everyone agrees, something else — it turns out to be elusive — is required.

The traditional balance of power, Mr. Clinton told us, involved bringing counter-power to bear against nations inclined to dominate their neighbors. His difference is to draw former adversaries together in raising the quality of life of their people and in cooperating on the particular security threats of the 21st century.

This is the idea behind both NATO expansion and the new NATO partnership with Russia, he said.

I suggested to the president that the traditional balance of power might not be merely a theory but might reflect an enduring underlying reality in the relations of nations.

He said: "I agree with that, but the balance of power does not always have to be defined in the same terms of the prospective dominance of others, as it has been previously. What we've done is to construct a balance of power that both restrains and empowers all the people who come within the framework of the agreement."

Restrains and empowers: The new enlarged NATO and NATO-Russia structures are meant to restrain Russia, and Germany, both of which historically need restraining.

At the same time, those structures are intended to empower Russia to participate in the economic and political evolution of Europe — a Europe that includes the United States.

In the quiet of the Oval Office, Mr. Clinton speaks with assurance and uses his hands a lot to shape blocks and move them around. In this confident mode, it is not for him to worry that in enlarging NATO he may be pushing American financial, military and treaty obligations beyond prudent domestic limits. The president is aware of popular "reluctance" but figures to fight and to prevail.

Nor does he fret that enlargement, perhaps after the time of Boris Yeltsin ("a true democrat ... also an old-fashioned Russian patriot"), may overload Russia's nationalistic circuits. He expects the empowerment factor to engage Russia and the restraint factor to stabilize Europe and draw Russia in.

In the public dialogue, there are suggestions that Mr. Clinton may be so much in thrall to a dreamy vision of a rational, trouble-free future that he is insensitive to the fresh burdens he is heaping on NATO. For instance, he is criticized for misusing the Marshall Plan's 50th anniversary.

Ronald Steel in The New York Times *(IHT Opinion, May 28)* says he ignores that in saving the narrower Europe the Marshall Plan contributed to dividing the broader Europe. Similarly, Mr. Steel warns, NATO expansion could undercut the Clinton goal of a peaceful, democratic, undivided Europe and produce a new partition.

But the very warning skips past the fact that it was not the Marshall Plan but Stalin who split Europe 50 years ago. And the further fact that the current stabilizing of Europe and democratizing of Russia offer a qualitatively different vista.

In fact, Mr. Clinton has something to show for his foreign policy exertions. The Europe he seeks may not be "a fundamental departure from the way geopolitics have been practiced by nation-states." Aspiring to a world "where the barking dogs of the 20th century don't yelp in the 21st," however, he is creating the "wider European security network" that his smarter critics call for.

He has worked his way to a place that takes in post-Cold War realities of economic priority, an openness to new political partnerships and the new security agenda. "We will all, in a more open society, face common threats from terrorism and organized crime and weapons proliferators and drug traffickers," he said.

"That may mean that we have to define our balance of power in terms of our capacity to resist those, and maintain the conditions for progress and prosperity and decency within our own countries, and that we need people who are neighbors to help us more than we need to try to be dominating them in an old-fashioned way."

The Washington Post.

Kabila Should Halt the Killing and Let the Relief Agencies In

By Yasushi Akashi

The writer is United Nations undersecretary-general for humanitarian affairs.

UNITED NATIONS, New York — After Laurent Kabila's inauguration as president of the Democratic Republic of Congo last week, international humanitarian organizations remain deeply troubled by their collective inability to get the authorities of the newly renamed country to take effective action to end the killing of civilians in its forests.

Despite President Kabila's official statements to the special representative of the Organization of African Unity and of the UN secretary-general, Ambassador Mohammed Sahnoun, and to other concerned officials, the massacres continue.

UN relief aid officials who are assisting in the repatriation of Rwandan refugees from Mbandaka, near the Congolese border, have heard from reliable local informants about continued killings in the forests. These informants say that refugees are being "hunted down" (*traqués*) in spite of opposition from some non-Tutsi units.

We have also heard reports that the military unit that was "cleaning up" south of Kisangani has been transferred to Mbandaka.

At the same, time, humanitarian workers continue to be denied full access south of Biaro, which is 42 kilometers from Kisangani. New accounts are emerging regarding further allegations of gross human rights abuses at Kilometer 52.

The nongovernmental organization Médecins sans Frontières has issued a report that documents human rights violations in Congo.

It seems that the best hope of stopping the killings is for African as well as Western leaders to tell President Kabila (and the Rwandan authorities who may be able to influence his troops) that here are good reasons to believe that Tutsi elements of the Alliance of Democratic Forces for the Liberation of Congo are continuing to commit war crimes against Rwandan and Burundian Hutu men, women and children in the Democratic Republic of Congo, and that he and his allies must act now to stop them.

At the same time, the international community must strive to persuade President Kabila, with full and public support from his closest allies, to act along these lines:

- Acknowledge and publicly denounce the crimes committed by alliance elements against the refugees.
- Order the soldiers of the alliance, both through the chain of command and through public radio broadcasts in the relevant local languages, to help and assist refugees, to take special care not to harm unarmed women and children, and to treat those men who are unarmed or hors de combat in accordance with international humanitarian law.
- Authorize independent international investigations of allegations against alliance forces, including the investigative mission of the UN High Commissioner for Human Rights led by Roberto Garreton.
- Undertake internal investigations using impartial military or judicial investigators from outside the zone of ethnic conflict, and prosecute and punish those who have committed war crimes.
- Afford full and unhindered access for the UN High Commissioner for Refugees and other humanitarian agencies to areas where refugees and other populations at risk may be found.
- Welcome and ensure the security of UN and nongovernmental human rights monitors, as well as UNHCR protection staff, who could ensure respect for human rights, humanitarian law, refugee law and humanitarian principles.

African leaders gather this Monday in Harare, Zimbabwe, for an OAU summit. Let them come forward with a strong and clear message that, in welcoming President Kabila into their midst, they expect the new leader to accept his full responsibility for protecting the basic human rights of his citizens as well as for respecting the OAU Refugee Convention.

President Kabila could use the opportunity to gain international respect and, more importantly, concrete support for the rehabilitation and development of his country, which are essential for the security of the region.

International Herald Tribune.

If NATO Is to Grow

Having decided to enlarge NATO, the West's diplomats are now discussing who beyond the consensus three (Poland, Hungary, the Czech Republic) should be invited in. Slovenia and Romania, the consensus fourth and fifth candidates, enjoy European but not so much American favor. It is a timely question, because NATO has committed itself to get out the invitations early in July, and all 16 members' Parliaments are due to consider ratifying enlargement by 1999. The trouble is that while the West's specialists are seized by the issue, its publics are not. The threshold question of why expand at all needs much more explanation than Atlantic alliance leaders have given it until now.

Why expand? Briefly, if the United States is to have any foreign policy at all, it must center on the strengthening and support of fellow democracies. Europe is where the most deeply rooted of them are. The particular post-Cold War challenge is to welcome back European states which have some history of democracy and spent much of the 20th century in involuntary servitude to Moscow.

The expansion of NATO, along with the cultivation of the new Russia, is one fine way to bring them back. It means extra risk, because the old NATO members must be prepared to defend the new, including by going to war; it means extra cost. But both risk and cost seem bearable, if not downright cheap, measured against letting Europe's and Russia's insecurities run free.

The broad thrust of alliance enlargement leaves open the specific issue of how best to proceed. To enroll no new members would be to inform a someday revived Russia that Central Europe may fall into its sphere. To welcome all possible applicants is to ensure undertaking more than NATO possibly could handle. Something in between is indicated. Secretary of State Madeleine Albright would lean toward admitting countries that have cleared "the highest hurdles of reform" and are prepared militarily. Poland, Hungary and the Czechs meet those terms.

But Slovenia and Romania? They are an unmatched pair. Slovenia, formerly part of Yugoslavia, is democratic and market-oriented, but it would bring little to NATO's strategic resources. (But Slovenia would be far from NATO's smallest member. Luxembourg has only a fifth and Iceland a seventh of its population.) Romania would bring much in military and geopolitical capacity for stabilization duty in Europe's hottest corner, but it has a mixed record in reform.

For both countries, the negatives seem more on American leaders' minds than on the minds of most NATO Europeans. The matter comes down to weighing the particulars of each nation against an overall sense of what is feasible and fair — a sense that has not yet taken final form in American or alliance deliberations.

However that comes out, it will be essential in making the first cut to anticipate the second, in order not to convey that enlargement is a one-shot affair, as some fear and others hope it will be. A democracy's inconvenient location and complaining neighbors should not rule it out for all time. The sensitive countries here are the Baltics and Ukraine. They are perhaps not ready to be accepted now but surely do not deserve to be excluded permanently. Their NATO aspirations — their aspirations for a place in the family of European democracies — retain a deep claim on the policy of the West.

— THE WASHINGTON POST.

For the Children of Angola, Blue Helmets Ought to Stay Put

By Gail Furman

NEW YORK — At an age when American children want to become sports heroes, movie stars or president, 11-year-old Maria, of Kuito, Angola, has a different ambition. She wants to defuse mines.

I met Maria in December 1996, three years after she saw her mother killed when she stepped on a land mine. It could have been put there by the government or the rebels. Maria and her family were fleeing as rebels attacked their village.

At the orphanage where she now lives, all the children are victims of war. Bie Province, in central Angola, was a center of violence in 1992 when the government's peace accord with Unita guerrillas collapsed. Kuito endured a 23-month siege. The countryside was left densely mined, with roads and buildings in ruin.

Angola's death toll was more than 300,000 in the two years of civil strife that ended in 1994, when United Nations troops arrived to keep the peace. The troops are scheduled to leave on June 30.

Many of Angola's 5.3 million children — nearly half the country's population — are still suffering. The Kuito orphanage is strewn with rubble and has no roof, electricity or running water, let alone books. When I visited, two staff members took care of 92 children.

At 13, José was kidnapped by a Unita battalion that killed his parents and forced him to serve three years as a soldier. Dumiga, who is 12, was paralyzed when he was shot in the back by a government soldier.

When I gave out crayons to José, Dumiga and other children at the orphanage, asking them to draw pictures of how they imagined themselves in five years, I was surprised by the results.

They calmly concentrated on their drawings, spontaneously sharing crayons. The more confident children helped the more hesitant. About half of the drawings were gory scenes of war, while the others showed happy mothers walking under jacaranda trees or teenagers kicking soccer balls — often with UN protectors nearby.

Our informal survey found 22 orphans who wanted to become teachers, 10 aspiring nurses or doctors, eight who hoped to be priests, four who wanted to work for the United Nations — and three who wanted to defuse some of the millions of land mines still left in Angola.

For a country in need of rebuilding, Angola commands considerable natural resources: oil fields in the northwest, diamond mines in the northeast. But of the $2 billion in oil and diamond revenues last year, $1.5 billion was spent on military equipment. And although 90 percent of Angola's land is arable, most of it remains mined.

Last October, when Secretary of State Warren Christopher visited, the government and the Unita rebels pledged to destroy 15 tons of stockpiled mines. This has not yet been done. Nor has there been much progress in the disarming of government and guerrilla militias.

Thousands of Angolan refugees in Zambia and Congo (the former Zaire) and 1.5 million displaced Angolans fear returning to villages where tensions persist.

That is why it is premature for the 6,000 UN troops in Angola to leave next month. To replace them, as planned, with 500 human rights observers when the peace is so tenuous is the wrong response.

Not only should the United Nations delay the withdrawal, as it has several times already, it should send special forces to help Angolans rid their country of the land mines.

It is hard to change the habits of a country that has been at war for so long. "I want to be a soldier and begin killing everyone who killed my uncle," said Carlo, 14, one of the children at the Kuito orphanage.

Yet as the drawings of Maria and her companions attest, the blue helmets of the UN troops have become beacons of safety in the Angolan imagination. Only with a sustained UN presence can the children of the Kuito orphanage realize the hopes that they illustrated with crayons and paper.

The writer, a child psychologist, is chairman of the Children's Task Force of the Women's Commission for Refugee Women and Children. She contributed this comment to The New York Times.

Is the Bigger ASEAN Better?

By Philip Bowring

HONG KONG — It is a done deal. There will be 10 members of the Association of South East Asian Nations, including newcomers Burma, Cambodia and Laos, to celebrate the organization's 30th birthday in July. Whether a bigger ASEAN is a better one has yet to been seen.

Is this like letting the Czechs, Poles and Hungarians into the European Union? Or is it like letting Albania, Romania and Bulgaria into European monetary union?

The demands of geography have now been satisfied. ASEAN is complete.

Plausible reasons for delay, such as government confusion in Cambodia, did exist that would not have placed the blame where it surely belonged — on the ruling junta in Rangoon.

But in the end it was felt that delay would waste an opportunity to exploit the symbolism of the anniversary and would imply humiliation of the leaders who had insisted most publicly that expansion would go ahead, President Suharto of Indonesia and Prime Minister Mahathir bin Mohamad of Malaysia.

Three countries and 60 million more people could add proportionately to the group's international clout. And the additions mean a better balance between mainland and island Southeast Asia. Without Burma, which in size and history is the equal of Thailand and Vietnam, ASEAN would look lopsided. Admission of Cambodia and Laos enhances their role as buffer states in the competition between Thais and Vietnamese.

There is hope that ASEAN identity will reduce a junta-run Burma's dependence on China. Rangoon owes many favors to Beijing for military and diplomatic support.

Mainland Chinese business has established a leading role in Burmese trade. Together with the interests of ethnic Chinese from elsewhere, these groups, allied to the junta, are even more dominant in Burmese commerce than were their counterparts, Indian and Chinese, in the immediate postcolonial era before their expulsion by Ne Win.

The military junta will now feel the southerly pull of ASEAN gravity. Enhanced opportunities for market-oriented development will, it is assumed, spur economic reform within Burma.

However, there is plenty of potential downside for ASEAN. The group's international standing has owed at least as much to economic success and the prestige of durable leaders such as Suharto as to its strength as an institution. The current leaderships in Burma and Cambodia will have a negative impact on international perceptions, even among those with no interest in democratic procedures.

The clubby atmosphere in ASEAN has been bruised by arguments over Burma. It was always going to be hard to sustain clubbiness as ASEAN expanded, but the Burma issue could leave a lingering sour taste. For the first time, enlargement of ASEAN has become a contentious issue within the region.

Entry of three impoverished states will also complicate — possibly fatally undermine — ASEAN's ambitious free trade agenda.

Finally, and perhaps most important, enlargement will dilute ASEAN's ability to have much influence on the region's most difficult international issue, China's claims over the South China Sea.

Most recently, ASEAN has shown minimal solidarity with Vietnam and the Philippines in the face of Chinese provocation.

Earlier this year, China sent a drill ship to waters within Vietnam's Exclusive Economic Zone and on its continental shelf, and last month it was promoting its claim to the Scarborough shoal, which lies close to the Philippines coast. ASEAN leaders have found it easier to fire rhetorical salvos against Western interference than to risk offending China with strong statements.

As none of the three new members has any direct interest in the South China Sea, the likelihood of a united stand against China on an issue which affects five out of the seven current members is further reduced.

In short, inclusion of all 10 states is a formidable achievement for ASEAN, but it makes the pursuit of a coherent agenda that much harder.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Red Volunteers

ROME — One of the things occupying public attention at Rome at present is the Garibaldian volunteers en route for Italy. Regarding these red-shirt volunteers, a recommendation was sent to Athens from one of the Powers to have disarmed and sent back as quickly as possible both the Garibaldians and the Republicans from various countries who had gone to enroll themselves in the Greek army, more with the object of continuing a political propaganda than of fighting the Turk.

1922: Fascist Alarm

ROME — A state of civil war virtually exists in the Bologna district, where ten thousand Fascisti are concentrated, fully equipped and organised under strict military discipline. The situation is regarded as liable to break out at any moment into a conflict between the Fascist organizations throughout the country and the regular troops. The cause of the situation rests on the struggle for control of the peasants and workers of Central and Northern Italy which has been going on for the last year between the Fascisti on the one side and the Socialists and Communists on the other.

1947: 53 Die in Crash

PORT DEPOSIT, Md. — Fifty-three persons were killed when a four-engined DC-4 Eastern Airlines plane plummeted 1,500 feet to the earth and blew to pieces. It was the worst commercial aviation crash in American history. By an irony of fate, the airliner crashed before the eyes of an inspection group of the Civil Aeronautics Board which had just returned from the air disaster at LaGuardia Field where a United Airlines plane smashed up.

LANGUAGE

The Water Is Now Fizzy Everywhere

By William Safire



Nicolas Ascio/IHT

WASHINGTON — *Soda water* symbolizes sobriety. "Let us have wine and women, mirth and laughter," sang Byron's Don Juan, "Sermons and *soda water* the day after." These must be sober times. Never have we had such a variety of words to denote water with bubbles in it.

Remember *seltzer*? It was the sole ingredient of a *two cents plain*, which is what residents of the Bronx called a glass of *soda water* that sold for 5 cents in the '40s, when I last ordered one at the High School of Science. The German word comes from mineral water from Nieder Selters, Prussia, called *Selterser Wasser*.

But seated in an elegant restaurant at a power lunch, how does one order a calorie-free, fat-free, alcohol-free, custom-slavish drink? I tried "two dollars plain" but drew a blank stare from the *waitron*. *Seltzer* is déclassé because it reminds late-night television viewers of wild attacks by the Three Stooges, who often brandished *seltzer* bottles; the word applies to the water given its bubbles by the process of carbonation invented by Joseph Priestley in 1767, and not from the natural bubbliness of underground springs.

You could say *soda*, or to add emphasis, *plain soda* (which also differentiates it from *bicarbonate of soda*), but somehow *plain soda* sounds plebeian or apologetic or cheap, recalling *soda pop*. The *pop* was the sound of the bubbles as they released their gas at the surface.

How about the Byronic *soda water*? That's a little more upscale, for almost three centuries meaning "water charged under pressure with carbonic acid gas."

Much more impressive to flight attendants pushing fat carts down narrow aisles is *sparkling water*.

The most recent term encompassing all unflavored effervescent beverages, *sparkling* or *club*, *mineral-enriched* or *seltzer*, is *fizzy water*.

Fizzle is of echoic origin, meaning it is a word coined to approximate a sound, and dates from a 1532 scatological use. *Fizz* came a century and a half later, followed by the adjective *fizzy*, which Rudyard Kipling used to describe Champagne: "The Captain stood a limberful of *fizzy* — Somethin' Brut."

But what if all that *fizzing* causes you to belch? Or gives you that bloated feeling? How do you order *plain water*, which in bottles sells 10 times the amount of *sparkling water*?

If you're a swain out to impress a Southern belle, try *branch water*: a *branch* means a "small stream" in the Carolinas and Virginia, and *bourbon and branch water* is as familiar there as *Scotch and soda* is up North.

Few say *tap water* anymore: though *beer on tap* is fresh and desirable, water from the tap is rarely given. When ordering water, if the waiter asks *"sparkling?"* it is more soigné to reply *still* rather than *tap* or *flat*. In France, *l'eau minerale* is still, usually Evian, and with *gazeuse* added it becomes *sparkling*, but an order of *mineral water* in the U.S. is an invitation to further interrogation of *"sparkling* or *still?"*

If you prefer the bubbles, the with-it term is *fizzy water*, an adaptation of British slang for Champagne. With or without minerals, unbruised by ice, its age is not yet done. (Urp.)

New York Times Service

BRIDGE

By Alan Truscott

THE first laws of the game were written seven decades ago by a committee headed by Harold C. Richard. This was less than two years after Harold Vanderbilt introduced the modern game of contract bridge.

Three decades later, during a dinner honoring Vanderbilt at the Whist Club of New York, Richard played neatly on the diagramed deal. He opened the South hand with one spade in third seat, and was raised pre-emptively to game.

A minor-suit lead would have been helpful to declarer, but West led the heart ace, a lucky choice, and continued with a low heart.

South ruffed, and guessed that the spade ace was on his right because West, inferentially, had shown six of the 10 points in the heart suit.

He therefore led to the diamond king, and led a trump. East played a normal second-hand low, and that proved to be an error. Richard won, and crossruffed in the red suits. Eventually East had to take his ace of trumps and was endplayed: he had to lead a club or else give a ruff and sluff, solving South's club problem in either case.

Richard would have been put to a tougher test if East had taken his spade ace immediately, preventing an endplay. South would be able to draw the missing trump and crossruff before facing his club problem, and would be able to solve it by counting points. West would have shown up with nine points, and would no doubt have doubled one spade if he held the club ace. But if East held the club ace, he could not have the jack, for that would give him a total of 13 points, and therefore a clear opening bid, counting four in each major suit.

If that had happened, West would have had to blame himself for failing to make a tricky lead of the heart queen at the second trick. That would suggest that he held the jack, and complicate South's task in locating the club jack.

NORTH (D)
♠ Q 10 9 4 2
♡ 10 7 6
◇ K 3
♣ K 4 3

WEST
♠ J
♡ A Q 5 4
◇ Q 8 7 2
♣ J 8 6 5

EAST
♠ A 7
♡ K J 9 3 2
◇ 10 9 5
♣ A 7 2

SOUTH
♠ K 8 6 5 3
♡ 8
◇ A J 6 4
♣ Q 10 9

East and West were vulnerable. The bidding:

North	East	South	West
Pass	Pass	1 ♠	Pass
4 ♠	Pass	Pass	Pass

West led the heart ace.

BOOKS

IN THE MEMORY OF THE FOREST

By Charles T. Powers. 384 pages. $23. Scribner.

Reviewed by Wayne Karlin

THREE years ago, I made a trip to the Polish town where my mother had lived before coming to the United States. As with all towns in northeast Poland, its Jewish population had been massacred in the Holocaust, but I had a photograph of my grandfather's grave in the Jewish cemetery and I wanted to see if I could find it. What I found sickened me: Any sign that Jews had once lived in the town had been erased, along with their cemetery, and there was no memorial in the pretty park built over the site from which 2,000 Jews had been taken to be machine-gunned into nearby ditches.

It is a tribute to the power of this novel that reading it provoked in me the same unanswerable questions and the same helpless rage and grief I'd felt standing in that park.

Charles T. Powers was the Los Angeles Times Bureau chief in Warsaw from 1986 to 1991. He died last year, before this book was published. He has left us a finely crafted novel that creates, with complete authority, a richly nuanced sense of both place and the people who live there. "In the Memory of the Forest" brilliantly explores a nation's agonized and futile attempts to free itself from the grip of its history. The plot follows Leszek, a young farmer in modern, post-Communist Poland, as he investigates the murder of a friend who may have been involved with a Russian weapons-smuggling ring.

Leszek's quest takes him to the buried past of Jadowia, his town: its older crimes have been incorporated into the structure of its relationships, into the very stones of its houses, the soil of its forest. As he thinks of the married woman with whom he has had an affair, Leszek's comments reflect the power of ignored memory to curse individuals, and towns, and nations: "I had discounted her life before I entered it, denied the force of . . . the memory she would have to carry with her. I could say to myself — and I had tried — that her memories before me were bad, and best forgotten, and that together we would create new ones to supplant the old, good ones to cover the bad. But all around me, memories recurred; like stones in a path, they pushed up. Memory had a future as well as a past."

The town of Jadowia is trying to forget two pasts: the last half-century of totalitarianism and the moral compromises citizens had to make to live within that system, and the time before that, when most of the town's population, now vanished, was Jewish. Now, mysteriously, the foundations of homes and buildings are being undermined, stones removed during the night, as if someone has not forgotten, as if "someone had to be looking for something. Something hidden."

Powers's gripping narrative and fully realized characters show how people can forget too militantly — or remember too vindictively. The latter is epitomized in the campaign of Father Jerzy, a young priest who wants revenge against the now discredited Communists who ran the town. Yet as an older priest, Father Tadeusz, reminds him, there is also "the truth of Jesus . . . He taught forgiveness." And Tadeusz is bothered by the selectiveness of Jerzy's recall: "Aren't you stopping short? Is it sufficient, once you've started, to draw the line somewhere and call it finished? . . . What about the Jews? . . . There's not a mark in the village to remember them, discounting, of course, the hateful slogans scrawled here and there."

"That's old stuff, Father. . . . Poles are sick of being held responsible in some way for what happened to the Jews. It was not our fault. Enough."

Yet "In the Mmory of the Forest" does not only leave the reader in despair at the human ability to obliterate both inconvenient lives and inconvenient memories. As the novel reveals the truth about those stones and murders, it reaches a heartbreaking climax that both shakes us and leaves us with a sense of hope.

Wayne Karlin's, whose latest book is "Rumors and Stones: A Journey," wrote this for The Washington Post.

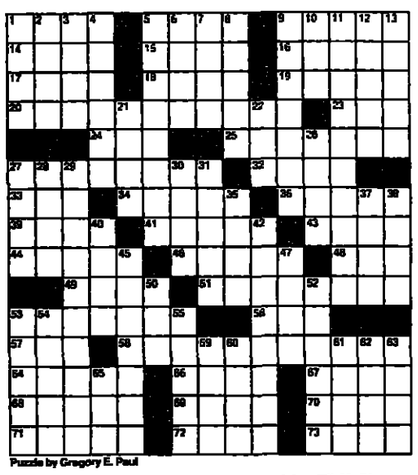
CROSSWORD

ACROSS
1 Civil disorder
5 Urban haze
9 Diners
14 Workers protection org.
15 Variety of fine cotton
16 Hold dear
17 Tizzy
18 The New Yorker cartoonist Peter
19 Château-Thierry's river
20 "Petticoat Junction" setting
23 Lyricist Rice
24 Granola grain
25 Copyists
27 Trim, as a tree
32 Arp's art
33 Military address: Abbr.
34 Fishing line
36 The "S" in WASP
38 State north of Ind.
41 Adventures
43 Battle of Normandy objective
44 Big news exclusive
46 Reading lights
48 Ames and Asner
49 Pub orders
51 Practice
53 Edmonton's province
56 Everything
57 Random number generator
58 "Father Knows Best" setting
64 Texas site to remember
66 Have — — good authority
67 Sewing case
68 Georgia city, home of Mercer University
69 Color of linen
70 Final Four inits.
71 Pronunciation symbol
72 Make-believe
73 Eschew

DOWN
1 — ha-Shanah
2 "Money — object!"
3 Louisville's river
4 Dragon, perhaps
5 Big Ten team from East Lansing
6 Nuclear missile, briefly
7 Prefix meaning 56-Across
8 London lockups
9 Kodaks, e.g.
10 Nabokov novel
11 "The Phil Silvers Show" setting
12 Sgt. Bilko
13 Looks like
21 Prominent rabbit features
22 Digital readout, for short
26 Mrs. McKinley and others
27 Beavers' constructions
28 Kind of proportions
29 "I Dream of Jeannie" setting
30 Marsh duck
31 "Pomp and Circumstance" composer
35 Shiny fabric
37 Auto pioneer Ransom
38 Victory margin, at times
40 Tunnel
42 Moss for potting plants
45 — — non grata
47 Prefix with starter
50 Nascar sponsor
52 Little green men
53 Revolutionary leader Samuel
54 Light purple
55 Pisces's follower
59 Scratch it!
60 Nick and — Charles
61 Make an aquatint
62 Hilo least
63 Primatologist Fossey
65 Cut the grass

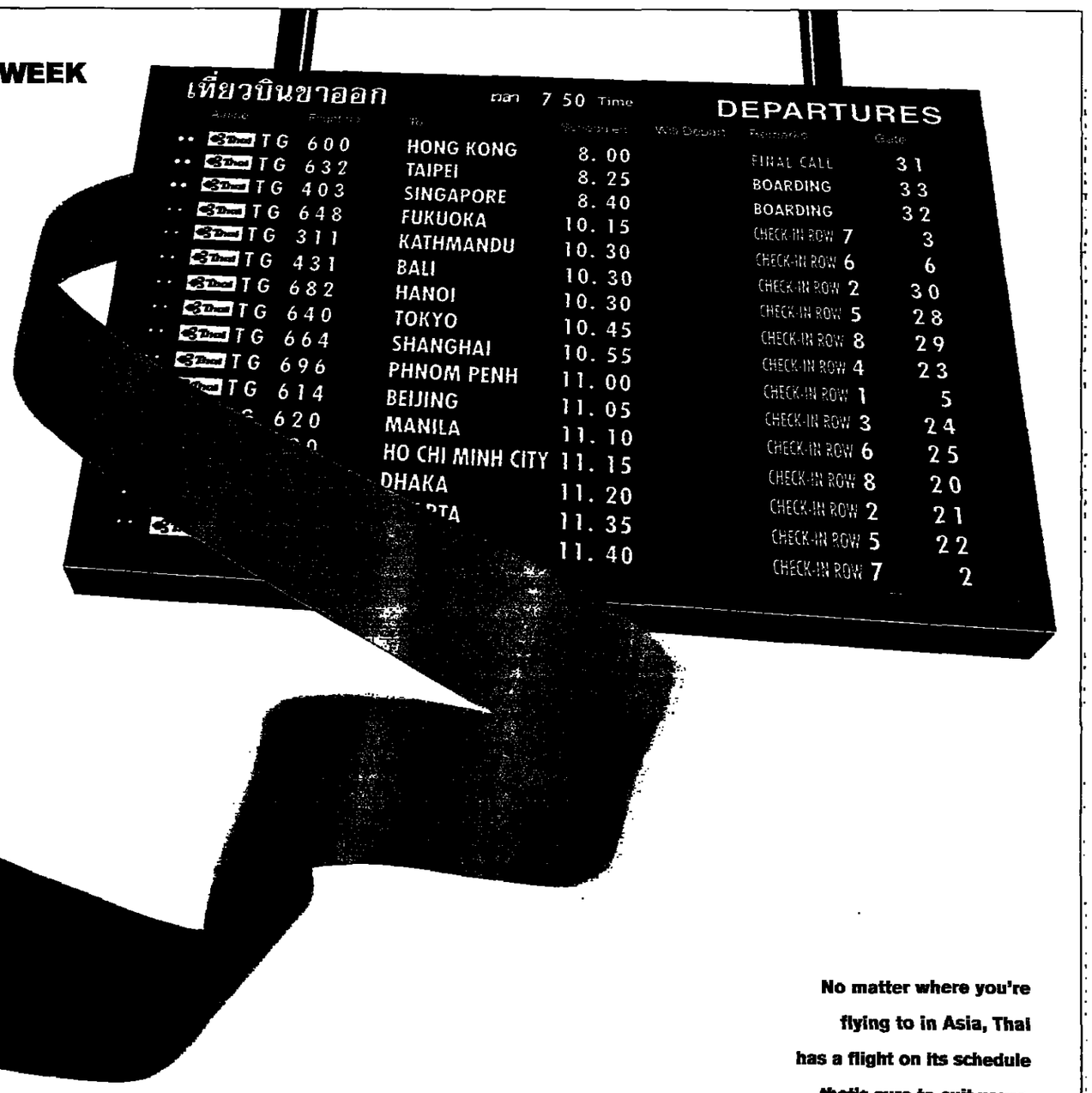
Solution to Puzzle of May 30

R	E	T	A	R	D	S		A	Q	U	E	O	U	S
E	X	A	M	I	N	E		B	U	R	K	I	N	A
T	U	G	B	O	A	T		J	I	G	G	L	E	S
A	R	T	I	S		A	C	U	T	E		L	A	H
I	B	E	T		S	P	O	R	E		R	I	T	A
N	I	A		S	H	A	M	E		T	A	N	E	Y
S	A	M	E	H	E	R	E		W	I	Z	E	N	S
			G	O	I	T	A	L	O	N	E			
S	Q	U	A	W	K		G	A	M	E	S	H	O	W
C	U	R	D	Y		L	A	M	A	S		O	V	A
R	O	O	S		A	L	I	E	N		G	O	E	R
E	N	L		F	R	O	N	D		C	A	P	R	I
E	S	O	T	E	R	Y		U	N	L	O	O	S	E
N	E	G	A	T	E	D		C	O	U	L	E	E	S
S	T	Y	L	E	T	S		K	N	E	S	S	E	T


Puzzle by Gregory E. Paul

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SMOOTH AS SILK IS 827 FLIGHTS EVERY WEEK TO 37 DESTINATIONS IN ASIA.



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INTERNATIONAL

Ruling Body Named in Sierra Leone

Reuters

FREETOWN, Sierra Leone — Negotiators said Sunday they had struck a deal with the army to end the coup in Sierra Leone and bring back the ousted civilian president, but the new military strongman went ahead with naming his ruling council.

Diplomats playing host to talks with the army played down the coup leader's radio announcement, saying they still expected a deal to be signed.

Major Johnny Paul Koromah announced the creation of a 20-member Armed Forces Revolutionary Council including the rebel leader Foday Sankoh as deputy chairman and three members of Mr. Sankoh's Revolutionary United Front.

Three brigadiers and four colonels were also named to the policy-making body, as well as a handful of civilians including the secretary-general and the attorney-general of the government.

Major Koromah's statement said the cabinet would be announced later.

But a senior Western diplomat said the announcement of the ruling council was intended to reassure the army's lower ranks and the Revolutionary United Front, which opposed a negotiated settlement.

"As they say, it's rearranging the deck chairs on the Titanic," said the diplomat. "We expect an agreement to be reached and if the RUF opposes it, the regional force will go for them."

Nigeria, Ghana and Guinea have sent troops ready for a military strike if negotiations fail.

The British high commissioner, Peter Penfold, and the Nigerian high commissioner, Chidi Abu-Bakar, have been hosting a series of secret preliminary talks culminating in a comprehensive meeting Sunday.

A Sierra Leonian politician who participated in the talks said a formal announcement was expected later in the day.

"The latest is that a deal has been cut," a senior diplomat said. "Everything should be in place in a day or two."

The diplomat said that Mr. Sankoh's rebels, who have been fighting a bush war since 1991 and have allied with the coup leaders, opposed a settlement and had not been part of the negotiations.

Under the expected agreement, the Nigerian-led force that has been assembling in Freetown since the coup May 25 would deploy to secure key points and keep order in the capital.

The deposed president, Ahmad Tejan Kabbah, fled to neighboring Guinea and sought help from West African leaders.

As a gesture toward the leaders of the coup, Mr. Kabbah's cabinet would be shuffled to reflect some of their grievances. The coup leaders have accused Mr. Kabbah of failing to consolidate a peace deal with the Revolutionary United Front and of causing tension between the country's ethnic groups.

It was not immediately clear how the agreement had addressed concerns of the coup leaders for safe conduct and possible asylum abroad — the subject of preliminary discussions brokered by Mr. Abu-Bakar.

Diplomats said the Revolutionary United Front's resistance to a deal had already led to serious rifts between its commanders and the coup leaders. Sierra Leonian sources said two people had been killed in gunfights between rebels and soldiers.

Earlier Sunday, helicopters from a U.S. Navy ship evacuated the last Americans and Europeans who had taken refuge in two beachside hotels from the widespread looting and violence that followed the coup.

"All those that wanted to go were evacuated," Commodore Greg Ertel said from the U.S. warship Kearsarge.



Ismail Sattoqui/Agence France-Presse

A Marine holding a child during an evacuation in Freetown on Sunday.

Kurt Alfred Adler, Therapist in His Father's Mold, Dies

New York Times Service

NEW YORK — Kurt Alfred Adler, 92, a therapist who spent a career seeking to put into practice the novel approach to psychotherapy of his father, Alfred Adler, the Viennese psychiatrist, and to extend its reach, died here Wednesday.

Dr. Adler was medical director and lecturer at the Alfred Adler Institute in Manhattan for 45 years and practiced at Lenox Hill Hospital. For 39 years he was president of the board of the Advanced Institute for Analytic Psychotherapy in Queens.

A theme in his father's work was that women must have equal rights with men. His father argued that aggression in men might result if the individual did not sufficiently grasp the concept of equality of the sexes.

Alfred Adler, who died in 1937, broke with Sigmund Freud over the centrality of infantile sexuality in Freudian psychotherapy.

Instead, he believed that people are driven by inferiority feelings and compensate by trying to achieve competence, mastery and power.

Even in Exile, Mobutu Blights the Lives of His Poorest Former Subjects

By Lynne Duke
Washington Post Service

KINSHASA, Congo — Down a dirt road as wretched as an alley, past a ditch of murky, stagnant water and behind a rotted, little house with no chairs to sit on, Mary Nzenzi struggles each day to keep the demon of the empty stomach at bay. Some would call the demon hunger, but it is bigger, more ominous, more far-reaching than that. In Mary Nzenzi's world along Kindongolosi Street, where girls skip rope with tattered pieces of cloth and boys kick soccer balls made of refuse bound with string, the demon that threatens life itself is still called Mobutu Sese Seko.

While Marshal Mobutu, the deposed ruler of Zaire, now called Congo, recently began a life of comfortable exile supported by his three-decade-long pillage of one of Africa's wealthiest nations, Miss Nzenzi, 53, lives in poverty. She farms a tiny plot that produces the cheapest vegetables for sale to people who can barely afford to buy them. Miss Nzenzi, the mother of seven, felt fortunate one recent evening to serve rice with palm oil for dinner — her family's only meal that day.

Millions of people live like this, on the fringes of a ruined economy that is the tragic legacy of Marshal Mobutu's nearly 32 years in power.

Although blessed with huge deposits of diamonds, cobalt, copper and other natural riches, the country became one of the poorest in the world as Marshal Mobutu and his ruling circle skimmed revenues and allowed the infrastructure to crumble.

Now, following his rebel forces' victory over Marshal Mobutu and installation of a new government, President Laurent Kabila has promised reform, development, investment and jobs. Despite signs of stiff opposition to his rule, Mr. Kabila's ouster of Marshal Mobutu has awakened long-dead hopes and expectations for many of Kinshasa's poor.

Mr. Kabila's government says it will create an "economy of the social market," intended to put the needs of the people first. The reality, however, is that the needs of the people are vast and cannot be met until there is a real economy. "The state is insolvent; most state-owned enterprises and financial institutions are de facto bankrupt," a 1994 World Bank report said. "The overall size of the economy has shrunk to the level of 1958, albeit with a population 2.9 times larger." Annual per-capita income in the new Congo is less than $150.

Socioeconomic chaos is so severe that it will take years to correct it, with hardship likely to worsen before a recovery begins, said the country's new finance minister, Mwana Mawampanga, an American-trained economist.

Miss Nzenzi, who ran into the street with her always-hungry children to hail Mr. Kabila's army when it surged into the city on May 17, has welcomed Marshal Mobutu's demise with the humblest of hopes.

"I want to be given money to continue my business," she said, "continue working in the field, produce more than I am producing, because if I'm working I can sell more, I can get more money, feed my children, send them to school."

Although it is a bustling metropolis of 5 million people, Kinshasa's formal economy has practically been crushed. Venality and incompetence, in which contracts were awarded based on familial or political connections, have left few jobs, and most of those that exist are in the phantom state bureaucracy where wages can be as low as $10 a month, when they are paid at all. What thrives in place of a formal economy is a huge, competitive informal sector. Mothers and fathers take their children to tiny plots of land in the middle of the city to grow cassava, corn and other vegetables that are the safety net of the subsistence economy.

The ouster of Mobutu has awakened long-dead hopes.

Kinshasa is like a Dickens novel, with children forming bands of thieves who prey on adult sympathy while picking the nearest pocket.

Marshal Mobutu is believed to have stolen between $150 million and $400 million a year throughout the 1980s from Zaire's copper and cobalt revenues. With Marshal Mobutu leading the pack of corrupt civilian and military officials — most of whom have fled in fear of their lives — it is no wonder that Congo is buried under an international debt put at $14 billion.

Mr. Mawampanga, the finance minister, has set up several commissions to find solutions to the country's financial collapse. Pledges of assistance from abroad also have been pouring in. The finance minister said a combination of heavy foreign and domestic investment, coupled with large-scale private-sector job creation and the sell-off or write-off of Zaire's debt, could boost the country's economic prospects.

A self-described "free-market type," Mr. Mawampanga said the state would have to reduce the padded civil service, while offering incentives to the private sector to invest.

Even before Mr. Kabila's rebel movement seized the country, multinational corporations were lining up for a stake in the copper, cobalt, diamond and gold mines that are the pillars of the economy. But considering Congo's desperate straits, Mr. Mawampanga said it was appropriate for the new government to impose conditions on those rushing forward in a new scramble for African wealth. Those companies will have to promise to be "good corporate citizens," Mr. Mawampanga said, citing as an example a French-owned textile mill that has a clinic for the surrounding community.

Mr. Mawampanga believes that the nations that backed Marshal Mobutu have a responsibility to Congo. The United States provided Marshal Mobutu with millions of dollars in aid, loans and covert payments from the CIA during the years when he was viewed as a Cold War bulwark against the spread of communism. But aid to Marshal Mobutu's Zaire was cut off in 1991 under a U.S. law that prevents assistance to countries that have defaulted on U.S. loans.

"Everybody who gave money to this man has got to share responsibility," Mr. Mawampanga said. "They knew this man would never repay the money."

People like Miss Nzenzi lived under Marshal Mobutu in quiet submission. Uprisings were rare, and when wide-scale looting occurred in 1991 and 1993 it was sparked by the wrath of the army, which was unpaid and neglected.

The scratching and clawing that characterizes daily life has rendered this a nation always on the take, always with a hand outstretched — either from the greed fostered by Marshal Mobutu or from desperation.

Miss Nzenzi falls into the latter category, with persistent entreaties, even to a visiting stranger, about her family's needs.

When a neighbor ran to fetch a chair so a visitor to Miss Nzenzi's house could sit, Miss Nzenzi laughed and said, "Maybe you can buy me a chair."

Several more such attempts followed, until she gave up with a final, sardonic plea: "Maybe you can find a husband to give me money."

BRIEFLY

2d Weekend Blast Kills 6 in Algiers

ALGIERS — A powerful explosion rocked Algiers and killed six people on Sunday, five days before legislative elections that are opposed by Muslim militants.

The blast came a day after a movie house in downtown Algiers was bombed, killing one person and wounding 24 others. Hospital sources said 15 others were injured in the blast on Sunday in the city's Bab el-Oued neighborhood, considered a stronghold of Muslim fundamentalists. *(AP)*

Border Is Lifted By Iraq and Syria

BAGHDAD — Iraq and Syria will reopen their border, which has been closed for 15 years, after an Iraqi trade delegation visits Damascus, Commerce Minister Mohammad Mehdi Saleh of Iraq said on Sunday.

The two sides have agreed that it will be possible to use Syrian ports for the importation of goods to Iraq under the UN oil-for-food accord, Mr. Saleh said.

He added that a Syrian trade delegation which traveled to Baghdad in late May, on the first such visit in almost two decades, had already crossed the border. *(AFP)*

Bolivian Election Seen as Close Call

LA PAZ — Bolivians voted Sunday in a presidential election in which Hugo Banzer, a rightist general who seized power in 1971 and ruled for seven years, was favored ultimately to win.

But Mr. Banzer was not expected to gain a decisive majority Sunday and may have to face a former president, Jaime Paz Zamora of the Revolutionary Left Movement, in a runoff in August. *(Reuters)*

Health Problems Plague Aborigines

CANBERRA — Aboriginal death rates from some diseases are up to 23 times higher than for the rest of Australia's mostly white population, according to a report describing Aboriginal health as the worst in the world.

Researchers who presented the report to Prime Minister John Howard last week requested new government efforts, including vaccinations for respiratory diseases that afflict a relatively high percentage of Aborigines. *(AP)*

Nightmares of the Terrain

What Horrors Are Hidden in Congo's Jungle?

By Donald G. McNeil Jr.
New York Times Service

KISANGANI, Congo — From inside the huge C-130 and Ilyushin cargo planes that are ferrying refugees home to Rwanda from Congo, it is easy to see how 220,000 people could just disappear in this country's interior.

Below, as far as the eye can see in every direction, is jungle. The only roads are dirt ruts, and the landscape is laced with wide tributaries of the Congo River.

Down in the jungle itself, the terrain is even scarier. Mere grass is two and a half meters tall. Above it towers bamboo that looks like explosions frozen in time — hundreds of thick stalks shooting out of a central crater, the fronds leafing out 10 meters above to darken the forest floor.

The fate of the Rwandan Hutu refugees in Congo, formerly Zaire, is a cloud over the country's new government and its president, Laurent Kabila.

Last month he ousted Zaire's dictator, Mobuto Sese Seko, with the help of Tutsi-led regimes in neighboring Rwanda and Uganda.

The Tutsi are hostile to the Hutu in Congo as a result of one of the world's worst instances of genocide in recent decades: In 1994, egged on by their leaders, Hutu in Rwanda massacred hundreds of thousands of Tutsi before a Tutsi army in exile in Uganda invaded, ousted the Hutu-led Rwandan government and chased more than a million Hutu, guilty and innocent, into exile in eastern Zaire.

Now it is believed that Rwandan Army units, with the assent of Mr. Kabila's forces, are settling scores in the new Congo.

Forbidding terrain is helping to perpetuate this cycle of genocide. It is cloaking the work of the killers and hiding the victims from the eyes of the world.

The Hutu refugees have been trudging through this landscape for seven months, since their camps near Goma and Bukavu on the shores of Lake Kivu were attacked last October in the first act of Mr. Kabila's rebellion. As they emerge, many are walking skeletons, dying of malaria, cholera and untreated infections.

"They're starving — it's a myth that they were all living on bananas," said Peter Kessler, a spokesman for the United Nations High Commissioner for Refugees.

"We ate *anything*," said Frederico Simbizi, who said he had not seen his home in Rwanda for three years. "We would pick wild leaves and taste them. If they didn't make us sick, we would boil them."

In October, the refugees were not in desperate shape. For two years, they had been housed in tents and fed by UN relief workers on the lava plains in the shadow of Kivu's volcanoes.

The camps, small cities that held an estimated 1.1 million Rwandan Hutu, were also so dominated by Hutu militiamen and former soldiers that they had become staging grounds for raids into Rwanda and Burundi.

When they were attacked, about 700,000 refugees streamed east, back into Rwanda.

The rest ran west. The common assumption that only those culpable in the 1994 massacre did so is a fallacy, said Pierce Gerety, a regional humanitarian coordinator for the United Nations. He said the camps at the north end of Lake Kivu were outflanked by invaders from Rwanda who then doubled back to attack, driving the refugees east.

The southern camps, by contrast, were hit from the south, and the only exit was a road going northwest, eventually entering the jungle.

Those who took it were a mix of former soldiers who had certainly killed Tutsi in 1994, other adults who may or may not have been innocent and young children who certainly were. Others were swept up in the panicky exodus.

By mid-December, 40,000 refugees were seen near the town of Amisi. By late February, an estimated 160,000 were encamped in a swampy area called Tingi-Tingi.

But the area was attacked, and they fled.

Exactly what went on in central Zaire between the initial invasion and the fall of Kinshasa on May 17 remains largely untold.

The flotilla of refugees surged around the advance of Mr. Kabila's rebels, sometimes in front of the battle lines, sometimes behind.

Refugees describe being trapped by rivers and begging or bartering their way across on ferries or dugout canoes. They describe troops rushing into their impromptu camps, shooting, forcing them to flee into the bush.

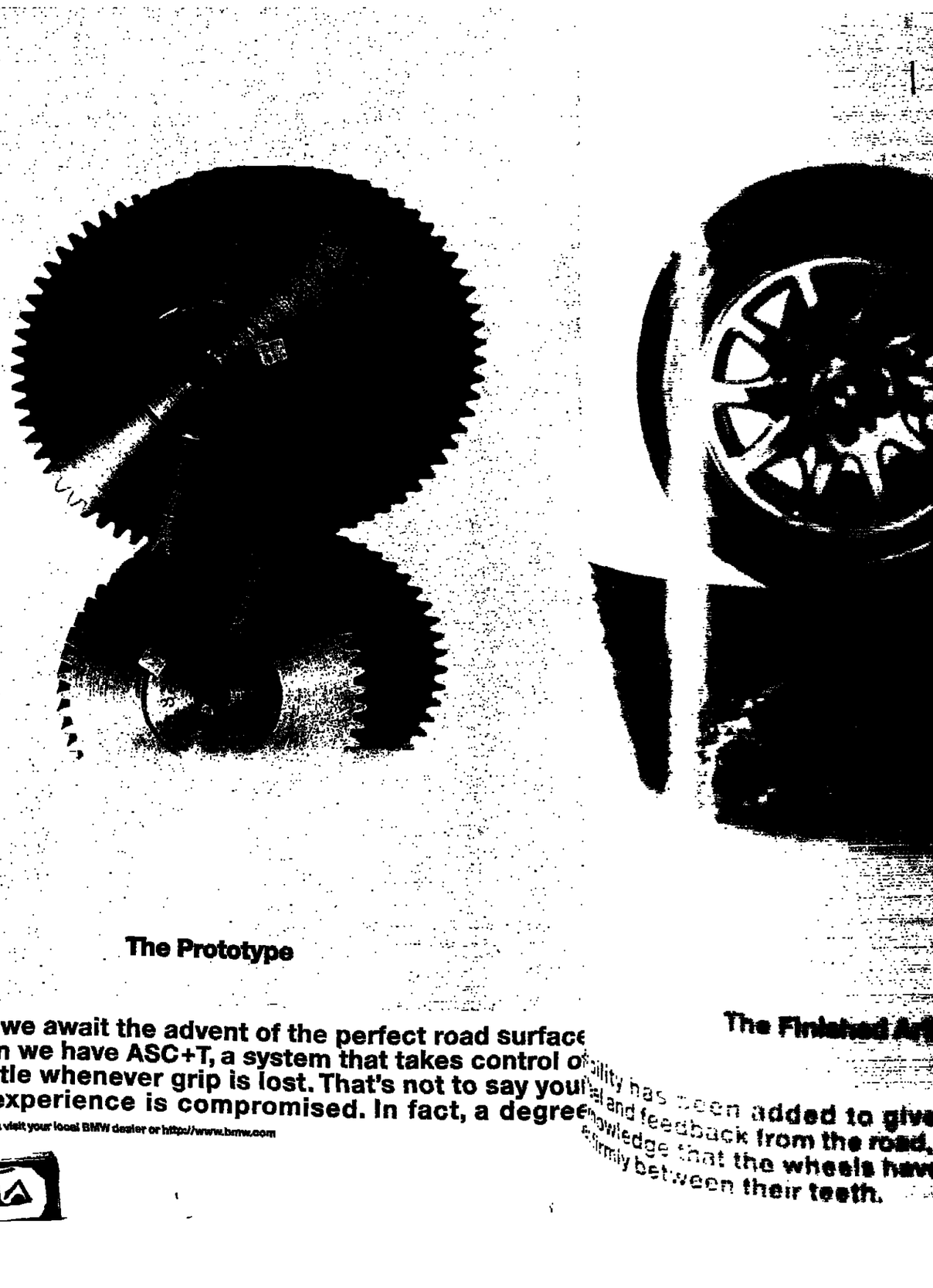
Mr. Simbizi said that in one such attack he lost two of his five children in the confusion.

The European group Doctors Without Borders has accused Mr. Kabila's guerrilla alliance of using humanitarian agencies as bait, letting them into the jungle with food and medical care for refugees, but really to lure Hutu out of the forest so they could be killed.

In some areas, notably on the roads west of Goma and in Biaro and Kasese camps near Kilometer 42, south of Kisangani, Rwandan Tutsi alliance troops have been accused of methodically massacring refugees, including women and children, and burning the bodies.

The alliance has angrily denied that.

The United Nations says it knows of 125,000 refugees repatriated since January and the whereabouts of 53,000 more still in Congo or neighboring countries. That leaves 222,000 unaccounted for. For all practical purposes, if they are alive and with former soldiers, they are still at war.



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Kurt Alfred Adler, Therapist in His Father's Mold, Dies



Sueddeutsche

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FRANCE: *Socialists Triumph*

Continued from Page 1

sponse to the voters.

For those voters, the election probably did not turn as fully on economic issues as it appeared to many outside observers, according to Denis Jeambar, editor of L'Express magazine.

"The outcome was a verdict condemning five years of conservative rule," he said.

Indeed, the main thrust of government in the last two years under the outgoing prime minister, Alain Juppe, was strongly similar to the approach pursued by his predecessor, Edouard Balladur, who led a center-right government under a Socialist president, Francois Mitterrand, from 1993 to 1995.

Under Mr. Jospin, the Socialists engineered a comeback on the basis of a new image of a party humbled by its failure in power in the 1980s — in contrast to conservative leaders such as Mr. Juppe and Mr. Balladur who were widely perceived as arrogant and out of touch with ordinary people.

In addition, Mr. Jospin developed an agenda for changes in the French political system to make government seem closer to day-to-day problems, create greater judicial independence to fight collusion between politicians and businesses with government connections and encourage regional autonomy. The program appealed to the French Communists as they sought a new image and the Greens, who represent a small but active minority.

In the new government, Mr. Jospin is widely expected to appoint Communist cabinet ministers, but their arrival will not cause concern in France.

Mr. Jospin will be hoping that his government will face less social unrest as it tries to tackle worsening budget deficits and moves to improve productivity.

In his victory speech, Mr. Jospin sounded a characteristically cautious note. His government, he said, would "not make a naive attempt to deliver everything immediately in the way that governments have promised so often in the past and failed to deliver."

Urgent deadlines confront the new government, starting with a meeting of European leaders on June 16 in Amsterdam.

The biggest immediate question mark concerns not the new leftist government but the status of Mr. Chirac.

Institutionally, his mandate is guaranteed for five more years, but the blow to his credibility is so crushing that he appears to be a lame duck.

French conservatives seemed to agree with that verdict. Nicolas Sarkozy, a prominent former minister, said that "the right has to re-invent itself."

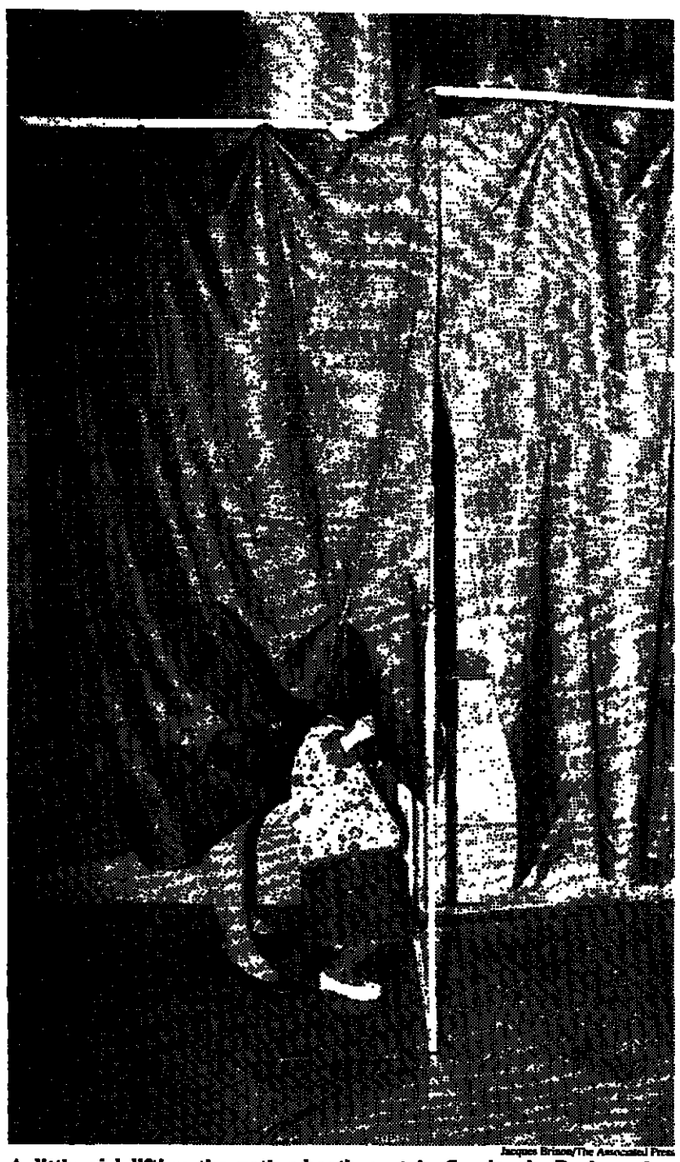
He suggested that conservative leaders had alienated voters by trying to disguise the painful aspects of changes and failing to articulate the costs and benefits to be expected from unavoidable economic reforms.

Even before the vote, the French right had distanced itself from its own program of privatization, deregulation and labor market-flexibility.

In the final days of the campaign last week, Mr. Chirac swung behind the policies of Philippe Seguin, a left-leaning Gaullist who defends state monopolies and a strong safety net of government-run welfare.

Mr. Chirac's gesture came too late for the conservatives to make a credible offer based on a formula combining Mr. Seguin's emphasis on social concerns with the call for an entrepreneurial revolution of the sort championed by Alain Madelin, a former finance minister, who is a prominent campaigner for economic liberalization.

Instead, the blurred conservative program left an opening for the extreme-rightist National Front of Jean-Marie Le Pen to mobilize the strongest showing of a protest party in France since the Poujadist movement in the 1950s.



Jacques Brinon/The Associated Press

A little girl lifting the voting-booth curtain Sunday in Paris as her mother voted in France's second round of legislative elections.

EUROPE: *The Economic Outlook Is for Confusion and Conflict*

Continued from Page 1

in monetary union. Mr. Jospin's victory itself makes it clear that the French electorate, like its counterparts in Germany, Italy, Belgium and Spain, is bitterly opposed to any more sacrifice in the name of Maastricht.

In normal times, the expected watering down of French economic policy would pose a sizable problem for Germany in any case, since it would mean that one of the twin pillars of monetary union was beginning to wobble.

But these are not normal times. Both of Europe's twin pillars are wobbling. A fierce battle is raging between Chancellor Helmut Kohl and the Bundesbank over Bonn's plan to revalue gold reserves to meet single currency terms, and that means that the credibility of both Paris and Bonn in financial markets is being weakened. In Germany, which is finding it tough to push through the kind of structural reforms and welfare cutbacks that are needed to make Europe's economic leader more competitive, the gold revaluation plan has already deprived Chancellor Kohl of the moral authority he once had to dictate single currency conditions to his partners.

During the weekend, Hans Tietmeyer, the Bundesbank chief, released an unusual personal statement in which he denied a report that he would seek a formal delay of the planned launching of the euro, the single currency, in January 1999.

This week, more political turmoil with implications for currency markets is expected since both Mr. Tietmeyer and the German finance minister, Theo Waigel, have been called to testify in Parliament about the gold revaluation controversy.

In France, where Mr. Jospin is preaching 1970s-style tax-and-spend policies that were supposed to have been discarded by most of the potential single currency partners, the likelihood of a deficit overshoot and of a more flexible interpretation of single currency criteria under the Maastricht treaty is growing. In this environment, speculative attacks on the franc should be expected, as should be more rumors and denials of a delay of the single currency project.

"If the Socialists win, and if they form a government that contains the anti-Maastricht Communists," said a leading New York-based investment strategist ahead of the voting Sunday, "then you can assume France will have been set back economically by 5 to 10 years."

This investor and many economists have predicted that if Chancellor Kohl succeeds in his bid to use controversial accounting methods to meet single currency conditions while at the same time a Jospin-led government proceeds to water down its application of Maastricht terms by going for growth, the end result will be a more politicized European monetary policy and a weakened euro when it is eventually launched.

If the Bundesbank, Bank of France and other European central banks were to decide to fight the softer political approach by keeping interest rates high or even raising them, the economic result could be even worse — a deflationary monetary policy at a time of economic weakness and a guaranteed continuation of Europe's jobless crisis.

Mr. Jospin's campaign call for Italy and Spain to be included in the first wave of countries launching the euro is meanwhile another element of the potential for conflict and confusion over Europe's single currency project.

Mr. Kohl appears to be convinced that he will stand a better chance of winning re-election in October 1998 if Italy is kept out of the euro for a few months. This puts Mr. Kohl on a collision course with both Mr. Jospin and Prime Minister Romano Prodi of Italy, who has pushed through 100 trillion lire ($60 billion) of budget austerity measures since June 1996 and who has said he will resign if Italy does not make the grade.

At the same time, Mr. Prodi is struggling to push through pension reform and a tough new budget for 1998, but as in France and Germany, the Italian public's distaste for sacrifice is also manifest.

The Prodi government responded Friday by putting off a discussion of pension reform and by trying to placate the hard-left Communist members of its parliamentary majority with more planned tax increases and fewer spending cuts.

The softer approach to Maastricht by a Socialist-led French government was made clear by former Prime Minister Pierre Mauroy, who said in an interview Friday, "We are not questioning our commitment to Europe, but we need to make our priority, irrespective of the euro, the creation of jobs and the spurring of growth."

Or, as a commentator put it in the newspaper Le Parisien, "France will never be the same again because the majority of the French, even if they know they have no future outside of Europe, do not want to pay the price any more of this European commitment with massive unemployment."

Mr. Jospin is keen to tackle France's record 12.8 percent unemployment, but his methods are the antithesis of free market economics.

Apart from favoring legislation to institute a higher minimum wage and a shorter workweek, Mr. Jospin last week also launched a plan with the German Social Democrat leader, Oskar Lafontaine, to install an employment chapter in the Maastricht treaty.

It is this kind of thinking — the idea that employment levels can somehow be legislated or decreed by governments — that most frightens financial markets.



Eric Gaillard/Reuters

Monks of the Lerin islands, off the French Riviera, voting in Cannes in the runoff election Sunday.

LEFT: *French Election Result Is a Long Stride Forward to the Past*

Continued from Page 1

make good on campaign promises to create 700,000 jobs while the workweek is being lowered over three years to 35 hours for 39 hours' pay, Mr. Jospin carried mortgages so specific as to appear to rule out softeners like Mr. Blair's remark that he was all in favor of strengthening the European Union's social charter — just as long as it didn't get in the way of Britain's competitiveness.

In this reasserted resistance to becoming part of a free-market economic process it did not itself invent, to taking paths involving individual risks in a place where risks were considered an uncouth characteristic of coarser cultures, to accepting that it must budge from the familiar and comfortable, France has opened the perspective of being a vastly more fragile country.

The vote carried two other lessons: that people here seemed legitimately afraid of an economic conversion process, linked to the coming of the euro, that seemed to hold out more austerity and downsizing than bright prospects. And that the French advocates of modern captialism were neither warm nor persuasive, far from the capabilities of a Bill Clinton or a Tony Blair.

Beyond the obvious but not particularly novel contradiction of having a president and a government representing opposed currents of thought, France now has a weakened president, mirrored by weakened and fragmented parties on the right, and a problematical role in relation to the future of the European Monetary Union and the confidence it wants to maintain among its neighbors.

Although President Francois Mitterrand in his 14 years in power twice faced Parliaments controlled by the Gaullist-led opposition, he never confronted, as President Jacques Chirac must now, being personally responsible for a political debacle affecting the core of his support.

It was Mr. Chirac who called the National Assembly elections in advance of any constitutional requirements, hoping to get them out of the way before taking further austerity measure to meet the conditions of the EMU; and it was Mr. Chirac who delivered what was regarded even by his partisans as a feeble, slightly bewildering speech on national television in an attempt to rally support between the two rounds of voting.

Now he must deal not only with a notion of personal discredit and incompetence, but also with the anger of a party political apparatus that has lost jobs and leverage solely through the misjudgment of its chief. The circumstances are unique here, as is the increasing legitimization of the National Front in the spectrum of the politically acceptable, and with that, the assertion from its leader, Jean-Marie Le Pen, that the president suffered a vote of no-confidence and should quit.

The constitution contains no such requirement, and the president has five years to go on his term. Having said last week that the left's election risked bringing new fragility to the process of European unification, Mr. Chirac must deal, however, with Mr. Jospin's contention that what Europe now most needs is a modification of the EMU road map through "an employment and growth pact."

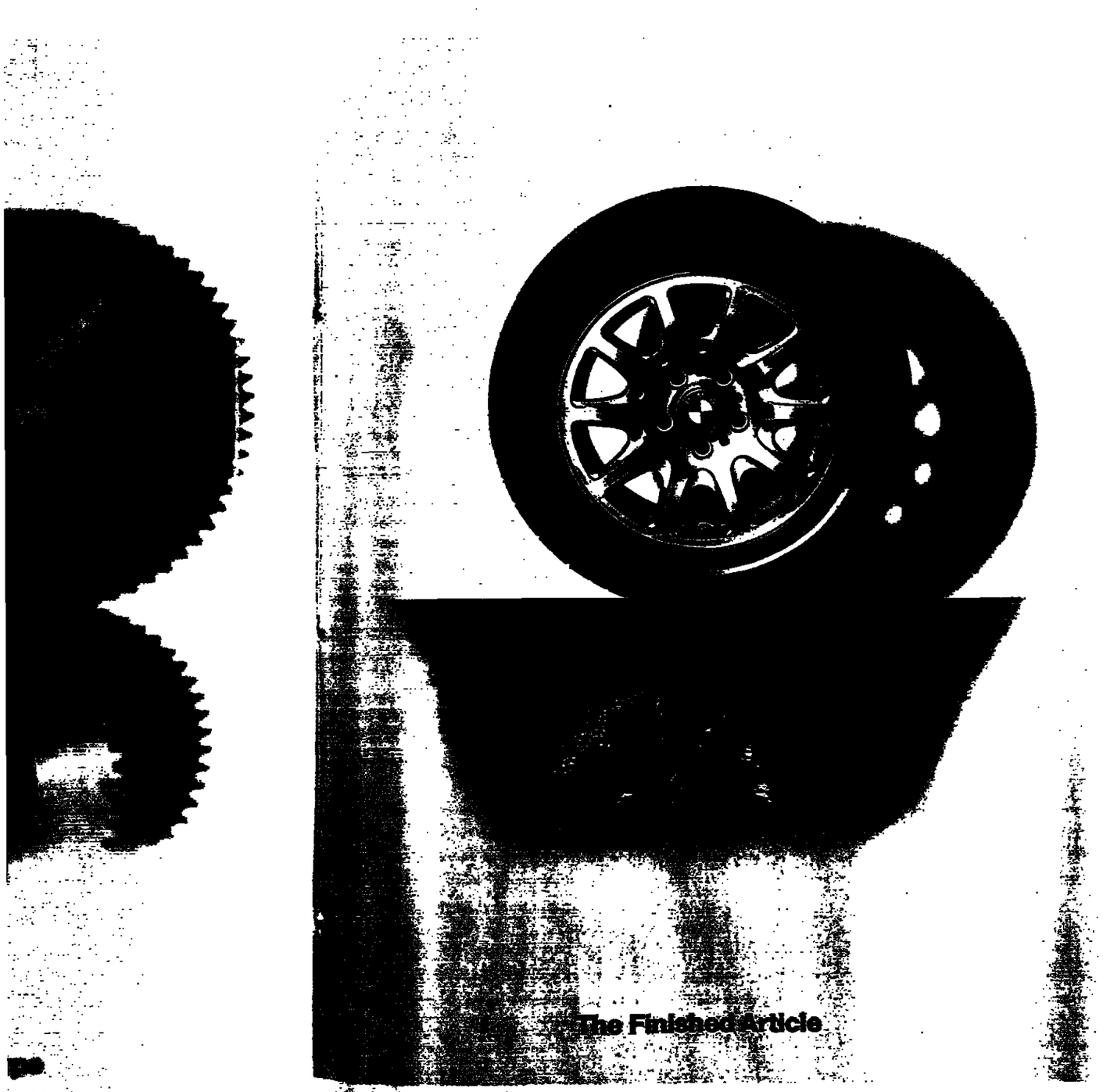
Mr. Jospin, who will have to find a way to manage the total rejection of the Maastricht process by the Communists and the Socialists' fringe party allies, has made it clear that he sees aspects of the convergence criteria as brakes on growth and job creation.

In the extreme, these elements could appear as ingredients for political disaster, or more certainly, a delay in the introduction of the euro as the EU's common currency in 1999.

But Mr. Jospin has issued clear signs that he very much wants to rid himself of the impression of serious confusion relating to European issues. In an attempt to improve appearances, he is understood to have made a very strong effort to bring Jacques Delors into a special position serving his government with blanket responsibilities for Europe.

Mr. Delors' credentials are regarded as reassuring to the rest of the world. As a Socialist and former finance minister, he has high credit at home; as an architect of the Maastricht agreement and former president of the European Commission, he has the respect of France's neighbors, particularly Germany and Chancellor Helmut Kohl. Under the circumstances, Mr. Delors would appear to be the ideal go-between for France's new leftist leadership, international reality and public opinion.

Without a Delors, Mr. Jospin may be hard pressed to find the words, no less the actions, to convince the friends of France that its greatest allegiance is not to a scared and immobile embrace of the past. Yet Mr. Delors may not take up the challenge. When he was leading in the polls in 1994 as the man the French most wanted as president in the 1995 election, he chose not to run. Mr. Delors has repeated many times since that his decision then was the right one.



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Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

TURKEY: *Call for Early Vote*

Continued from Page 1

Some of Mr. Erbakan's strategists, anxious to hold new elections before the effort to get a court to ban the party can be decided, want to call Turks to the polls in October.

But many members of Parliament oppose holding the election that soon, because they must hold office for at least two years to qualify for a generous government pension plan. They are therefore expected to insist that the elections be held sometime after late December, two years after the last elections.

Turkey's governing coalition has been an uneasy alliance from the moment it was formed. Mrs. Ciller is an avowed secularist, and Mr. Erbakan is dedicated to increasing the influence of Islam in public life.

The enmity between the two has been personal as well as political.

In the 1995 election campaign, Mrs. Ciller warned that any government headed by Mr. Erbakan's Islamist party would "plunge Turkey into darkness."

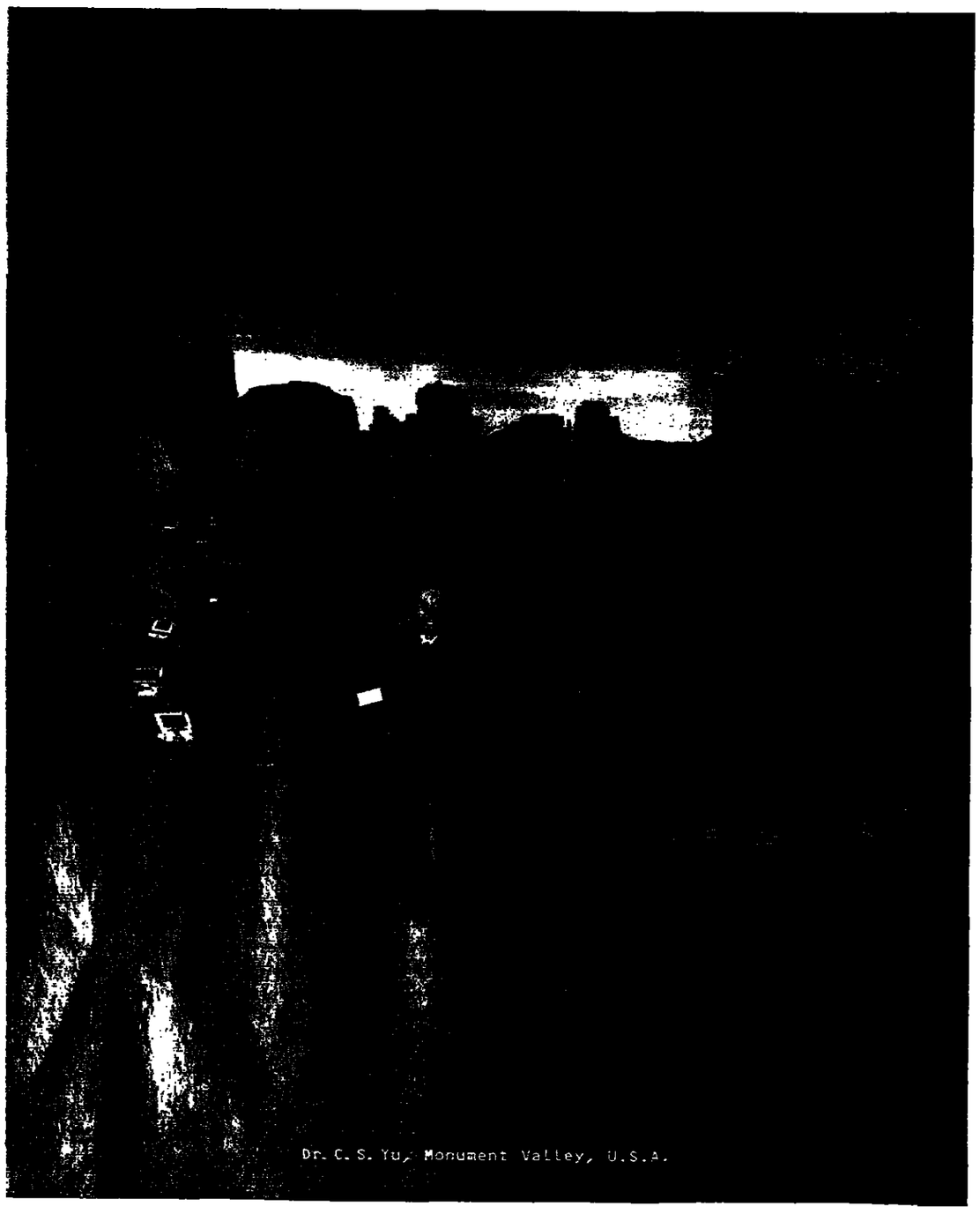
For his part, Mr. Erbakan stressed the corruption charges against Mrs. Ciller, calling her the country's "biggest thief."

But after the election, the two found common ground. Mrs. Ciller's support made it possible for Mr. Erbakan, whose party won less than 22 percent of the vote in 1995, to assume the country's highest office. Mr. Erbakan's supporters in Parliament later blocked motions that would have sent corruption charges against Mrs. Ciller to the Supreme Court for investigation and possible prosecution.

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, May 30

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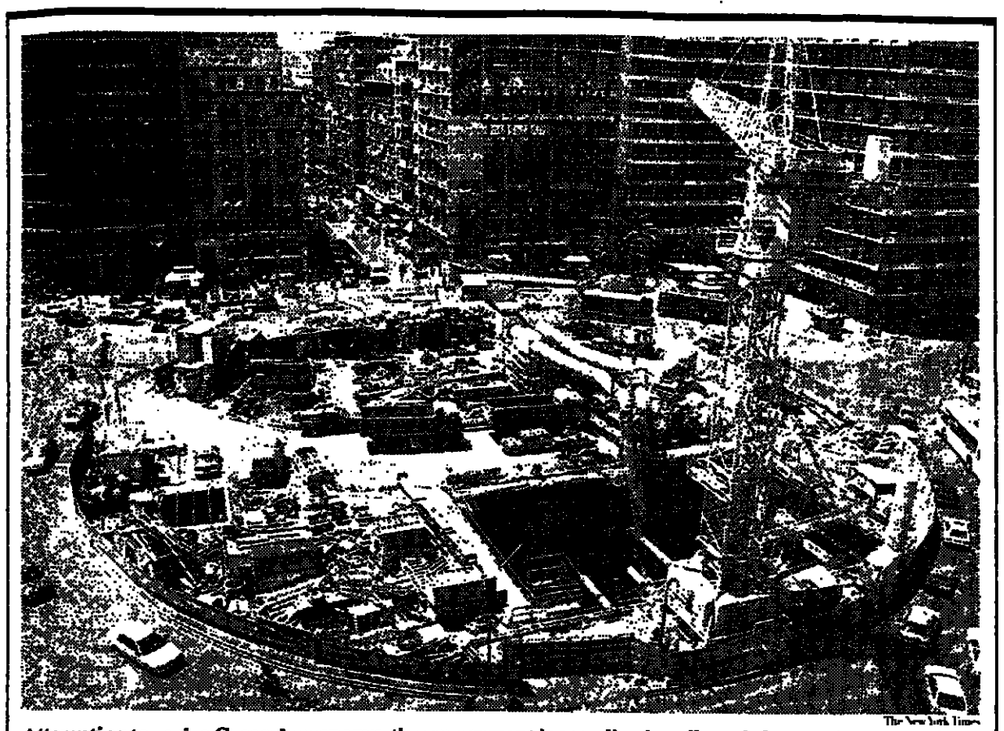
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Herald Tribune INTERNATIONAL

BUSINESS/FINANCE

MONDAY, JUNE 2, 1997



The New York Times

Attempting to revive Greece's economy, the government is spending heavily on infrastructure projects.

Greek Government Means Business

By John Tagliabue
New York Times Service

ATHENS — For Kostas Sinis, the dream of reviving the Kassandra mines was like a vision of returning to past glory. The mines, after all, have been operating for more than 2,000 years, since the days of Alexander the Great, yielding a variety of metals, from silver to zinc. But they also contain gold, and Mr. Sinis and his Canadian mining company invested heavily to get it out.

By late last year, though, the dream seemed in shambles. Legal battles and environmental protests made work impossible and Mr. Sinis was threatening to pull out.

Then the Greek government stepped in more forcefully than it has in years. The police were deployed to keep the roads to the mines open, work resumed and the big gold-mining project began to move ahead.

Business and government leaders saw this turnaround as a triumph, a break from a socialist past marked by incessant strikes and excessive coddling of labor unions. Blue-chip companies ranging from Levi Strauss to Nissan had packed up and left. In Europe, Greece had become the odd man out, with galloping inflation, a shrinking economy and a budget deficit that by most measures was the worst on the continent.

But the government of Prime Minister Costas Simitis, which came to power in September, is trying mightily to right Greece's flagging economy and lure foreign business back.

With the help of European Union funds, it is investing heavily in projects like roads and airports, offering tax breaks for foreign investment and is relying on a new investment agency to help companies pierce the thicket of Greek bureaucracy.

Already there are signs of progress. Tourism and entertainment companies like Hyatt International and Virgin are investing in Greece. Economic growth this year is expected to be among the best in Europe. Inflation and budget deficits are down and investment is up. So is the Athens Stock Exchange, whose general index is up 65 percent this year, the second hottest market in the world.

"Finally we have a government that is interested in business," said Basil Theocarakis, president of the Theocarakis Group, which is in banking and shipping and manufactures products from furniture to sports jackets. "Yes, there are still troubles. But basically they are on the right path to increase local and foreign investment."

Greece has an awfully big hole to dig itself out of. After 1981, when the country joined the European Union, corporate investment flowed in, often drawn by the lowest wage levels in the 15-member union.

But the Socialist government of former Prime Minister Andreas Papandreou, which governed Greece through most of the 1980s, catered to the demands of organized labor and generally neglected the business community. Major industries like shipbuilding were nationalized. Generous wage accords caused productivity to drop and fired up inflation.

Although Mr. Papandreou was driven from office in 1989, the conservative government that replaced him failed to make things better. By 1993, top corporations had begun to pull out, some to exchange their Greek plants for less costly ones in neighboring Turkey, or in formerly Communist countries of Eastern Europe. In 1993, Mr. Papandreou returned to power, but he died last year and was succeeded by Mr. Simitis.

Last year, Levi Strauss cut its contract with a Greek jeans supplier and began supplying the Greek market from Poland, where wages are about one-tenth what they are in Greece, and Goodyear shuttered a plant in Salonika and laid off 350 workers, focusing future investment in Turkey and Poland. Earlier, Italy's Pirelli tire company closed a factory in Patras after repeated strikes to protest planned layoffs.

But for a microcosm of the recent Greek business climate, and of the turnaround Mr. Simitis's government is attempting, one need look no further than the ambitious, $600 million attempt to modernize the Kassandra mines.

In the 1970s, extensive gold deposits were discovered at Kassandra. But continuous labor trouble — coupled with a drop in the price of lead and zinc, the mines' main products — pushed the mines' owners into bankruptcy. The government, in a solution typical of the times, nationalized the mines to prevent the loss of about 900 jobs. Though production sank to near zero, roughly $11 million was paid in salaries alone.

"The miners kept busy mainly hoeing their vegetable plots," said Mr. Sinis, a former Shell Oil executive.

In the early 1990s, the EU pressured Athens to sell the mines, but no bidders emerged. In 1994, a further effort produced two bids and a $47 million offer from Mr. Sinis's company — he is president of TVX Hellas, a unit of the Canadian mining group TVX Gold Inc. — was chosen over one from Australia's New Crest.

But local community leaders, opposed to increased mining, organized protest demonstrations and cut phone lines. The mayor of a nearby community, Stratoniki, demanded the equivalent of $220,000 to clean up previous environmental damage. During all this, the government stood idly by — until TVX issued an ultimatum: Either clear the way for work or the mines will be shut.

But it was only with the victory of Mr. Simitis last autumn that the pace of change accelerated. Faced with the possible loss of a major investor, the new prime minister named a committee to assure that TVX could work freely and sent the police to restore order.

Mr. Sinis advises watching the progress of the TVX mines to judge the seriousness of government intentions.

"I think we are at the stage where we can see the light at the end of the tunnel," he said. "In a country where progress was delayed for 20 years, it's dangerous to talk about progress," he said. "You have to see things happening."

Tietmeyer Assails Gold Revaluation

Bundesbank Chief Also Denies Suggesting Single-Currency Delay

By John Schmid
International Herald Tribune

FRANKFURT — The president of the German central bank, Hans Tietmeyer, on Sunday hardened his opposition to Bonn's plans to revalue the Bundesbank's vast gold reserves and, in an unusual formal statement, denied that he had suggested a delay in the 1999 launch of a single European currency.

Within Chancellor Helmut Kohl's coalition, several officials over the weekend urged the government to retreat from its clash with the fiercely independent German central bank, raising the possibility that Mr. Kohl may not be able to muster a majority to push the gold revaluation measure through Parliament.

Mr. Tietmeyer's one-page declaration kept up the central bank's strident campaign against the revaluation payout, which the Bundesbank fears will damage the credibility of the future European currency, infringe on the bank's autonomy and create a precedent of political meddling in the affairs of the proposed European central bank, which is modeled on the Bundesbank.

Mr. Tietmeyer made clear that the Bundesbank's principal objection to the gold plan focused on Finance Minister Theo Waigel's demand that the revaluation take effect in 1997. Mr. Waigel plans to use the funds to plug gaps in the deficit to meet the fiscal criteria for the single currency.

Careful to avoid confrontational language, Mr. Tietmeyer nonetheless urged the government to back down.

"The Bundesbank hopes that the German government and Parliament will take appropriate consideration of these objections when they make their decisions," he said.

In a response to "some false reports," Mr. Tietmeyer denied a report in the new issue of the newsmagazine Der Spiegel, in which an unnamed source quoted him as suggesting a delay in the planned 1999 launch date for a single European currency.

A delay would put European integration at risk, analysts argue, because it could take another full economic cycle of growth and recession before Europe might try again to converge its economies, potentially leading to a loss of support from countless industries across Europe that have invested heavily to make the euro work this time.

Distancing himself from any damage that the open feuding has inflicted on the credibility of monetary union, Mr. Tietmeyer's statement included a reminder of the Bundesbank's pro-European credentials. "The bank has already been working intensively for some time on the preparation of the monetary union with a stable euro," he said.

But Mr. Kohl's government remained adamant in its determination to submit draft legislation to amend the 1957 Bundesbank law and allow the payment into Mr. Waigel's coffers this year.

"You must remember that the Bundesbank can advise and have an opinion," a government official said Sunday, "but they cannot demand anything. This is a matter of the Parliament, which has the greater sovereignty in the issue."

But it will be difficult for Mr. Kohl to win the vote in the Bundestag on the issue if the government fails to find a solution agreeable with the Bundesbank, said Otto Graf Lambsdorff, a senior official in the Free Democratic Party, a member of Mr. Kohl's coalition.

Before the Bundestag vote, set for June 13, the Free Democrat's budget expert, Juergen Koppelin, urged Mr. Waigel to retreat before the clash escalates further. "The psychological damage would be too great" if Mr. Waigel overrode the Bundesbank, he told the Bild-Zeitung newspaper.

Juergen Augustinowitz, a Bundestag deputy in Mr. Kohl's Christian Democratic Union, predicted that other coalition lawmakers will join him in opposing the gold plan. Mr. Augustinowitz declared Friday that he would not support the legislation.

According to the Bild-Zeitung, Mr. Waigel is considering two other plans to raise revenue: an increase in fuel taxes or a delay in reducing the special tax created to finance German reunification.

Foreign-Exchange Markets Take Gold War in Stride

By Carl Gewirtz
International Herald Tribune

PARIS — The extraordinary public brawl over the German government's plan to raid the hidden reserves of the central bank might have been expected to roil European financial markets.

Instead, they have reacted with amazing calm — eloquent testimony to the general confusion over the issue and to the general conviction that, come what may, monetary union will take place as planned on Jan. 1, 1999.

Putting polemics aside, the facts are these:

The accounting principles already agreed on call for European central banks to value their assets at market values. Any unrealized gains arising from such a revaluation are not to be recognized as income.

The Bundesbank, therefore, is not challenging the need to revalue the board of gold and foreign exchange, mostly dollars, currently valued on its books at something like 60 billion Deutsche marks ($35.2 billion) below its true worth.

Nor is the Bundesbank opposed to using this windfall to reduce the debt incurred to finance the unification of the country, a unique but costly historic adventure.

What Bundesbank directors unanimously oppose is doing it this year, instead of in 1999 when the European central bank comes to life, in order to facilitate the government's compliance with the criteria to qualify for membership in the monetary union.

The timing is important because it is on the basis of this year's economic data that the decision will be made, next spring, about which of the 15 members of the European Union qualify to enter monetary union and adopt a common currency, the euro.

Without the one-time gain from revaluing the Bundesbank's assets, it is estimated that Germany's outstanding debt will amount to some 62 percent of gross domestic product. Not only is that above the 60 percent qualification criteria, it is also a move in the wrong direction — an increase in debt, instead of a decrease — and a violation of another Maastricht standard.

Reducing the outstanding debt should also liberate money that had previously been budgeted to service that debt. That, in turn, should help the government comply with the requirement that its budget deficit be no greater than 3 percent of GDP.

Essentially, then, the dispute is over the timing of the revaluation and the transfer of the windfall profits to the government.

And this leads to the fundamental question: Whose gold is it?

"That gold belongs to the German nation, not the Bundesbank," said John Llewellyn, chief economist at Lehman Brothers in London. "It's for the elected government to decide what to do with that asset, not the central bank. The government's proposal is morally valid, and the Bundesbank's rejection looks at best ultra-conservative, and at worst churlish.

"It is perfectly legitimate for an elected government to use part of the nation's assets to pay down part of the public debt — in particular, debt incurred as a unique historic event," Mr. Llewellyn said.

Charles Wyplosz, a leading academic expert on monetary union, dismissed the uproar as "the Bundesbank playing its part. It has to maintain its credibility until the very end and, by rebelling against the government, it succeeds. If the Bundesbank had simply caved in, everyone would be saying it had lost its teeth and that the new European central bank would start life with a toothless Bundesbank."

As for loose talk about what these maneuvers imply for the value of the euro — whether it will be a strong or a weak currency — both Mr. Llewellyn and Mr. Wyplosz insisted that there were no inferences to be drawn, and that the value of the euro would be a function of the monetary policy of the European central bank.

Nomura Awaiting Sanctions From Ministry

Bloomberg News

TOKYO — The Finance Ministry is preparing to shut down the head office and some branches of Nomura Securities Co. for up to six months as one of Japan's biggest finance scandals escalates, according to a national newspaper report.

A six-month shutdown would be the maximum penalty under the Securities and Exchange Law. Nomura is suspected of breaking that law by compensating a *sokaiya*, or corporate blackmailer, for investment losses.

The report Saturday in the Daily Yomiuri, which did not cite sources, followed the arrest Friday of the company's former president, Hideo Sakamaki, in connection with an alleged payment of 38.5 million yen ($330,330) to Ryuichi Koike, a reputed sokaiya.

No one at the Finance Ministry could be reached over the weekend to confirm or deny the report.

If regulators find evidence of wrongdoing, the Finance Ministry could order Nomura to stop selling to institutional customers and trading on its own accounts. Most analysts have predicted the ban would be for three months.

The last time the Finance Ministry ordered Nomura to halt operations was October 1991, after the company admitted lending $125 million to a gangster to buy shares of Tokyu Corp., a railroad operator.

Argentina Pays Price for High Growth

By Calvin Sims
New York Times Service

BUENOS AIRES — With violent protests over high unemployment and poverty spreading rapidly and congressional elections set for October, the Argentine government has come under more pressure than ever before to loosen its economic policies, which have brought fiscal stability and tremendous growth but have failed to produce new jobs and better social conditions for many people.

In major cities and small towns across Argentina, tens of thousands of people have blocked roads, bridges and public buildings in recent weeks, demanding jobs and more social spending. Their ranks are swelling every day, threatening the political fortunes of the governing Peronist Party.

Whether the government will give in to demands to alter its economic plan — a move that could jeopardize the country's sound financial footing — will depend heavily on Finance Minister Roque Fernandez, who many investors long feared lacked the nerve to carry out the unpopular free-market reforms championed by his charismatic predecessor, Domingo Cavallo.

Since taking office last summer, the soft-spoken Mr. Fernandez, a former central bank president, has not only maintained the Cavallo policies but reinforced them with belt-tightening measures, aggressive tax collection and the sale of state-owned enterprises.

Such moves have reduced budget deficits and bolstered the confidence of foreign investors.

"The world assumed that Argentina would fall apart and have to devalue its currency when Cavallo left," said Aldo Abram, a local economist. "But to the contrary, Roque Fernandez has showed that these economic reforms are long-term, structural changes that do not depend on any one individual."

But facing a possible loss of a majority in Congress and mounting pressure to do more for the poor, the government of President Carlos Saul Menem may devote more resources to social spending, a move that is likely to slow the pace of reforms and possibly diminish the interest of foreign investors.

Argentina has served as an important barometer of what is known as the neoliberal economic model. Under that model, Latin American countries began deregulating their once-closed economies, selling unprofitable state-owned industries, and revising labor and social laws.

See ARGENTINA, Page 15

CURRENCY RATES

Cross Rates June -1

	$	£	DM	F.F.	Lira	D.fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9165	3.1395	1.1251	0.333	0.1134*	—	5.449*	1.3559	1.6467*	1.3895	1.3285*
Brussels	35.655	57.65	20.645	6.1115	2.1037*	18.351	—	24.8725	0.3017	25.45	24.485*
Frankfurt	1.67	2.707	—	0.2959	0.1007*	0.0889	4.844*	1.2048	1.4631*	1.229	1.1875*
London (a)	1.636	—	2.7903	9.4258	2.767.79	3.1391	57.607	2.3144	793.64	2.2566	226.057
Madrid	144.726	236.98	84.691	25.863	8.526*	76.579	4.3824	102.85	123.754*	104.225	—
Milan	1,698.65	2,777.58	994.58	294.08	—	883.88	48.78	1,197.50	14,556	1,221.80	11.741
New York (b)	—	1.6405*	1.2062	0.3565	1.071.03	1.9186	25.22	1.4545	176.55	1.2784	142.955
Paris	5.7514	9.42	3.3374	—	0.3402*	3.0938	0.1457	4.0571	4.9301*	4.1993	33.925*
Tokyo	116.52	191.35	68.78	20.24	6.893	69.84	3.3281	82.66	—	84.49	6.8815
Toronto	1.3856	2.2617	0.8059	0.239	0.0814*	0.732	0.3955*	0.9746	1.1854*	—	0.954*
Zurich	1.4529	2.3726	0.8256	0.2449	0.0834*	0.7566	4.0899*	—	1.2145*	1.0259	0.9292*
1 ECU	1.5491	0.2985	1.0556	0.3137	1.942.56	2.2881	41.5725	1.6225	133.133	1.5889	165.534
1 SDR	1.3998	0.8572	2.3797	7.9988	n.a.	2.6436	48.9657	1.9757	162.614	1.9287	200.452

Closings in Amsterdam, London, Milan, Paris and Zurich. Rates in other centers: New York and Toronto rates at 4P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Country	Per $	Country	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	277.79	Mex. peso	7.903	S. Afr. rand	4.471
Australia $	1.3144	Hong Kong $	7.7477	N. Zealand $	1.4834	S. Kor. won	891.30
Austrian sch.	11.976	Hung. forint	182.56	Norw. krone	7.0926	Swed. krona	7.701
Brazil real	1.074	Indian rupee	35.785	Phil. peso	26.37	Taiwan $	27.87
Chilean peso	0.2224	Indo. rupiah	2438.00	Polish zloty	3.21	Thai baht	25.44
Czech koruna	32.69	Irish £	0.6626	Port. escudo	172.22	Turkish lira	159715.
Danish krone	6.4787	Israeli shek.	3.39	Russ. ruble	5767.50	UAE dirham	3.671
Egypt. pound	3.3982	Kuw. dinar	0.2995	Saudi riyal	3.75	Venez. bolv.	483.50
Fin. markka	5.1302	Malay. ring.	2.5127	Sing. $	1.4285		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6378	1.6366	1.6356	Japanese yen	116.50	115.50	115.00
Canadian dollar	1.3784	1.3751	1.3736	Swiss franc	1.4374	1.4316	1.3964
Deutsche mark	1.6980	1.6943	1.6904				

Sources: ING Bank (Amsterdam); Interunion Bank (Brussels); Banco Commercial Italiano (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

CYBERSCAPE

A Burning Desire to Get in Touch With Your Voice-Mail

By Mike Mills
Washington Post Service

WASHINGTON — Think of the typical computerized "voice-mail lady": the same tone, the same preprogrammed responses, service but not much of a smile.

Now imagine this conversation with the Wildfire voice-mail woman.

"Wildfire, I'm depressed," you say. She comes back with: "You're depressed? I live in a box" or "Oh great, now I'm a therapist."

Or, "Wildfire, what does a cow say?"

"Mooooooo."

Wildfire is the star pupil in an emerging class of "single number" phone services that take advantage of vastly improved speech-recognition technology.

Wildfire Communications Inc., a privately held company based in Lexington, Massachusetts, has tapped into people's growing frustration with their thicket of cordless phones, cellular phones, pagers and customized calling features.

Wildfire condenses everything to a single phone number that follows you whether you are at home, in the office or using your cellular phone or pager.

"As the world becomes more untethered from any one place, there is a need for something that anchors their communications," said Robert Mechaley, the chief executive of Wildfire.

Analysts say Wildfire is the most sophisticated service available to date that combines speech recognition with an array of custom-calling features. Tell it where you will be, and when, and it will direct calls to you. Call a Wildfire subscriber often enough and it will remember your voice, greeting you with an "Oh, hi" and maybe asking how you are feeling.

The system has worked out lots of bugs over its first few years, but users still have some gripes; Wildfire cannot fast-forward or rewind messages, for example, and users cannot "barge in" and speed up commands — they have to wait for Wildfire to finish speaking.

Others are catching up, including small software outfits and voice-mail companies and such phone giants as Lucent Technologies Inc., AT&T Corp. and MCI Communications Corp.

"You're going to hear more about Wildfire in the future," said Chris Landes, a telecommunications consultant for TeleChoice Inc. in Verona, New Jersey. "People are looking very closely at that particular platform as the most advanced integrated messaging and call-management service."

Today Wildfire is a pricey service aimed at frequent travelers. Linx Communications offers Wildfire for $39 a month, plus usage fees that can run monthly bills into the hundreds of dollars. Customers pay for their own long-distance calls that Wildfire places.

But Wildfire and other similar services are about to become mass-market products as phone companies begin to put the software directly into their networks. Pacific Bell Mobile Services in California and BellSouth in Atlanta now offer stripped-down versions of Wildfire for about $10 a month.

The network-based services will sell parts of Wildfire à la carte: Basic packages will offer only speech-recognition voice mail and dialing, while the single phone number feature costs more.

The telecommunications industry's history with speech recognition has been one of over-promising and underdelivering. But in the past few years, the technology has sped ahead, and the industry has been slow to exploit it.

"The technology has moved forward so fast that the applications development and the platforms to support it have fallen behind," said William Meisel, editor of the newsletter Speech Recognition Update.

Mr. Meisel predicts that software such as Wildfire will do for telephones what Microsoft Windows did for personal computers.

"If the companies and service providers get it right," he said, "this could change the perception of the telephone with the customer."

Just as people change screen colors on their personal computers, he said, they also may choose different "personality types" for their computerized personal assistants.

The real Wildfire woman speaks fluent French and Italian, said Leslie Anderson, a company spokeswoman. But those talents may not be fully used.

"The Italians aren't sure whether to use a male or female voice," Ms. Anderson said. "Apparently, in Italy it's more prestigious to have a male assistant."

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Junk Bonds Rise to Top of the Heap

Bloomberg News

NEW YORK — Junk bonds in May posted their best monthly returns this year, beating Treasury securities and high-grade corporate bonds amid a rosy outlook for corporate profits, steady economic growth and low inflation.

Junk bonds, which are issued by companies with low credit ratings, returned 1.99 percent for the month, according to a basket of 860 bonds tracked by Merrill Lynch & Co. That is 27.1 percent at an annual pace.

Treasury bonds as a group returned 0.47 percent for the month, excluding Friday, Merrill Lynch figures showed, while investment-grade corporate bonds turned in a 0.49 percent gain.

Junk bonds are attractive "if you're looking at the fixed-income universe and you're looking for what's going to perform well in a good economic environment," said Mark Durbiano, a funds manager at Federated Investors.

The healthy returns are another indication that junk bonds are recovering from their tumble in late March and April following the Federal Reserve Board's move to raise interest rates.

The bonds are also called high-yield bonds because they offer investors juicy yields — on average about 10 percent — to compensate investors for their risk. As long as the economy remains strong, reducing the likelihood of defaults, investors say those high yields will help many junk bonds outperform other fixed-income securities.

"It's not appropriate to blindly invest in that asset class," said Zane Brown of Lord Abbett & Co., "but I think selectively there is value."

For the first time in seven weeks, individual investors and brokers nevertheless pulled cash from high-yield bond mutual funds last week. Money managers said the outflow might have been triggered by concerns over the decline in May in Treasury bonds, the market benchmark.

BIS Sees Risk in Liquidity Splash

Central Banks' Banker Warns of Too Much Speculation

By Carl Gewirtz
International Herald Tribune

PARIS — The central bank to the world's leading central banks just won't let go of its worry beads. Stock prices are soaring, bond markets are well-behaved, exchange rates are just about where the major countries want them to be, international bank lending is at a record high, as is activity in the bond market — and still the Bank for International Settlements frets.

"Ample liquidity," it repeatedly says in its quarterly report, International Banking and Financial Market Developments, provides easy money. It says that such credit fuels excessive leveraging — another term for speculation — and large cross-border investment flows.

The Bank for International Settlements appears flustered by the ease with which liquidity is being created.

"Given the variety of actors now involved in cash and derivatives markets and the broad range of products available, the existence of excessive leverage in some market segments cannot be excluded," the BIS said.

Those factors, in turn, may be resulting in a mispricing of risk, which could burn investors if there were to be "an unexpected turnabout in underlying conditions."

Not that the Switzerland-based institution sees such a turnabout on the horizon.

To the contrary, the BIS appears flustered by the ease with which the liquidity is being created. Traditionally, the spigot was the huge interbank market — banks lending to banks that lend to banks, always subject to prudential and regulatory controls and limits. Such funding represented 59 percent of total net international financing only two years ago. It is now running at just over 20 percent.

This reduction reflects the explosion in the so-called "repo" market — where bank lending to other banks is collateralized by securities. Most often these are high-quality government issues, such as Treasury bonds, Bunds and gilts. But there are also securities issued by lower quality "emerging market" countries, and these are said to be increasing, though such talk remains unsubstantiated because data are not yet collected on such securities.

What worries the BIS is not only the quality of this pyramid of lending but also its size, given that lending against collateral creates a level of comfort that may increase the readiness to extend credit — injecting more liquidity, which already is ample.

The report does not specifically cite bank lending to Russia as an example, but the implication is clear in its observation that credit flows to Russia, which totaled $3.1 billion in the fourth quarter, "appear to have been rechanneled abroad in the form of deposits placed in foreign financial centers."

Such round-tripping, on a much larger scale, foreshadowed the Latin American debt crisis of the early 1980s.

More generally, the BIS is concerned that in an environment of ample liquidity and intensifying global competition there may be a tendency to underestimate and therefore misprice risk exposures.

"Reliance on historical data in the analysis of risks, even using increasingly sophisticated and integrated models, is not sufficient to ensure adequate risk management," the report says.

It adds that there is a "need for more consistent and better identification of risks by lending institutions" especially at a time when there is "greater official reliance on market forces than on rigid supervisory prescriptions."

The BIS reported that first-quarter activity in the international bond market amounted to $206.4 billion, a down slightly from the record $208 billion set a year earlier. Syndicated bank loans amounted to $114.4 billion, up 18 percent from the year-ago quarter but down 28 percent from the fourth quarter.

Bank lending to less-developed countries last year set a quarterly record in the final three months of $40.4 billion and an annual record of $123.8 billion.

The BIS appeared to point to National Westminster Bank PLC as an example of the potential dangers in the derivatives market. Although it did not name the bank directly, the BIS said in a summary of its report that large options losses at a British bank cast doubt on banks' internal risk controls.

NatWest said in March that it discovered as much as £90 million ($147.2 million) in options losses in the accounts of a former trader that go back three years.

Bonds Expected to Gain Before Jobs Data

Compiled by Our Staff From Dispatches

NEW YORK — U.S. Treasury bond prices will probably edge higher this week on expectations that May unemployment data, to be released Friday, will point to a slowdown in the economy.

But if the jobs report adds to signs that the economy has not slowed, investors' opinions may swing toward counting on another interest-rate increase from the Federal Reserve Board, analysts say.

The bond market continues to hang on almost every statistic for clues to what the Fed will do next. Even though the rate of economic expansion for the first quarter was revised slightly upward last week, there are enough signs of slower growth to support the view that policymakers will stand pat when they meet on July 2.

But consumer-confidence measures are near all-time highs and spending could speed up again, persuading central-bank officials to raise rates once more.

"Any week with a payroll number is going to be a big one," said Dana Johnson, head of market analysis for First Chicago Capital Markets. "If the Fed has a bias toward tightening, which I think it does, the employment data will go a long way toward determining its next move."

Richard Gilhooly, a senior bond strategist at Bank Paribas, said: "The market will be very nervous ahead of the payroll number. There's a lot of confusion and crosscurrents from other markets."

Not only will investors be looking to see whether the pace of U.S. job creation is accelerating and the unemployment rate is remaining low, they will also be watching to see whether wage costs are climbing.

"If we see 12-month wage inflation rise over 4 percent, investors are going to start worrying again about whether companies can absorb that kind of wage pressure without raising prices," said Gary Thayer, a senior economist at A. G. Edwards & Sons Inc.

U.S. CREDIT MARKETS

On Monday, the Treasury is to offer $15 billion — half in three-month bills and half in six-month bills — which yielded 5.05 percent and 5.40 percent respectively in when-issued trading on Friday.

But many investors are spurning the Treasury market, turning their attention to mortgage bonds and other fixed-income securities that pay extra yield, or spread, above Treasury bonds, because they do not expect a big change in Treasury yields without signs that the economy is either overheating or cooling.

"If you think the direction of rates is not doing much, you want to make sure you earn more" with interest income, said Jane Wyatt, chief investment officer at Voyageur Asset Management in Minneapolis. Voyageur has had about 80 percent of its fixed-income holdings in so-called spread products since the beginning of the year.

Among fixed-income investments, those that offer extra yield — including high-yield corporate debt, asset-backed bonds and mortgage securities — have been among the best performers. Many of these securities have gained more than 2 percent this year, according to Lehman Brothers Inc.

Investors who bought benchmark 30-year Treasury bonds, by contrast, have lost more than 2 percent on their investment this year, as measured by Lehman. Treasury bond yields, which ended the week at 6.92 percent compared with 6.98 percent the previous week, have not moved much in the past month.

"We'll be trading at these levels until the Fed tightens or the market is convinced the economy is moderating and inflation is not a problem," said Todd Barre, a manager at Harris Bank in Chicago. He predicted 30-year Treasury yields would range between 6.80 percent and 7.25 percent in the short term.

(Market News, Bloomberg, WP)

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending May 30. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
Australian Dollar					
225	Queensland Tsy	7¾	10/12/00	103.6350	7.1200
Austrian Schilling					
135	Austria	4⅝	05/23/02	98.7800	4.6800
216	Austria	5¾	04/11/07	98.7500	5.8200
British Pound					
193	Denmark	6¼	05/22/00	100.5500	6.2200
236	Britain	7	11/06/01	99.6250	7.0300
238	IRBD	7	06/07/02	99.2500	7.0500
Canadian Dollar					
148	Canada	7	09/01/01	104.2000	6.7200
207	Canada	8	06/01/23	110.6000	7.2300
Danish Krone					
3	Denmark	8	03/15/06	110.1500	7.2600
10	Denmark	9	11/15/98	106.8200	8.4300
13	Denmark	7	11/15/07	102.9500	6.8000
19	Denmark	8	11/15/01	111.2300	7.1900
25	Denmark	8	05/15/03	111.40	7.1800
32	Denmark	7	12/15/04	104.9500	6.6700
36	Denmark	9	11/15/00	113.1800	7.9500
47	Denmark	7	11/10/24	95.8000	7.3100
48	Denmark	6	12/10/99	103.6600	5.7900
63	Denmark	6	11/15/02	102.8800	5.8300
133	Denmark	6	02/15/99	102.8000	5.8400
140	Denmark	4	02/15/00	99.1200	4.0400
170	Denmark	7	02/15/98	102.2000	6.8500
239	Denmark	5	08/15/05	94.1500	5.3100
Deutsche Mark					
2	Germany	6	01/04/07	99.9121	6.0100
4	Germany	4½	02/22/02	98.9500	
5	Germany	3¾	03/19/99	100.8626	3.7200
6	Germany	6¼	04/26/06	98.5977	6.3400
7	Germany	8	01/21/02	112.9325	7.0800
8	Germany	4½	11/20/01	101.1654	4.7000
11	Germany	6⅝	05/12/05	107.6011	6.3900
12	Germany	6	07/04/07	101.0341	5.9400
14	Germany	7⅜	01/03/05	110.3800	6.6800
18	Germany	5	08/20/01	101.6000	4.9200
20	Germany	6½	10/14/05	104.5000	6.2200
21	Germany	5	05/21/01	101.8900	4.9100
23	Germany	6	01/05/06	101.4578	5.9100
24	Germany	6¼	01/04/24	94.1200	6.6400
28	Germany	7½	11/11/04	111.1925	6.7500
30	Germany	6	02/16/06	101.1400	5.9300
31	Germany	8¼	09/20/01	113.5500	7.2700
38	Germany	6½	07/15/03	106.1900	6.1200
39	Germany	8	07/22/02	114.1050	7.0100
40	Germany	9	10/20/00	115.1958	7.8100
41	Germany	5¾	08/22/00	104.5047	5.5000
42	Germany	5⅛	11/21/00	102.5000	5.0000
43	Treuhand	6⅞	06/11/03	108.1000	6.3600
44	Treuhand	6⅝	07/09/03	106.8000	6.2000
45	Treuhand	7⅛	09/09/04	111.1550	6.7500
46	Treuhand	7⅛	12/02/02	110.6400	6.6700
49	Germany	8¼	08/20/01	115.5239	7.5700
52	Treuhand	6⅛	03/04/04	104.4100	5.9900
53	Germany	8⅞	12/20/00	114.4100	7.7600
54	Germany	5¼	02/21/01	102.7200	5.1100
55	Treuhand	7⅛	01/29/03	109.3500	6.5200
57	Germany	5⅞	05/15/00	104.7700	5.6100
58	Treuhand	6¼	05/13/04	107.0000	6.3100
60	Treuhand	6¾	07/01/99	103.3563	6.1700
61	Germany	6	06/20/16	94.3367	6.3600
62	Germany	6¾	04/22/03	107.8663	6.2600
66	Germany	3½	12/18/98	99.9625	3.5000
67	Germany	8½	02/20/01	113.4800	7.4900
68	Treuhand	6½	04/23/03	106.3333	6.1100
69	Germany	7	01/13/00	107.4400	6.5200
70	Germany	7	12/22/97	102.0300	6.8600
71	Germany	6	09/15/03	103.8900	5.7800
72	Germany	9	01/22/01	115.0050	7.8300
74	Germany	3½	09/18/98	100.2054	3.4900
76	Germany	6½	03/15/00	106.4101	6.1100
77	Treuhand	7	11/25/99	107.2550	6.5300
81	Germany	6⅛	05/20/99	104.6000	5.8600
84	Germany	6½	01/02/99	104.4000	6.2300
86	Germany	8⅜	05/21/01	113.6350	7.3700
87	Germany	6¾	07/15/04	107.0500	6.3100
88	Germany	7¼	10/21/02	110.0700	6.5900
89	Treuhand	5¾	04/29/99	103.8684	5.5400
90	Treuhand	7⅜	10/01/02	112.3200	6.9000
93	Treuhand	5	12/17/98	102.1500	4.8900
96	Germany	6⅞	12/02/98	105.1846	6.5400
97	Treuhand	6	11/12/03	103.3800	5.8000
99	Germany	8¼	07/20/00	113.0500	7.7400
102	Germany	6¾	09/15/99	106.4300	6.3400
107	Germany	6¼	02/20/98	102.0700	6.1200
110	Germany	7⅝	12/20/02	109.7674	6.4900
112	Germany	7½	10/20/97	101.7046	7.3700
115	Treuhand	5⅝	09/24/98	102.7100	5.4800
123	Treuhand	5	01/14/99	102.2400	4.8900
127	Treuhand	6¼	07/29/99	105.0800	5.9500
130	Germany	5¼	02/25/98	101.4000	5.1800
131	Treuhand	6⅛	06/25/98	103.1607	5.9400
132	Bk Trust FRN	3.2266	05/21/02	99.9500	3.2300
134	Germany	5⅛	02/22/99	102.9700	5.2200
137	Germany	5¾	08/20/98	102.7375	5.6000
161	Germany	5¾	05/28/99	103.8900	5.5300
164	Germany	8¼	07/21/97	100.6800	8.1900
175	Germany	7¼	01/20/00	108.0400	6.7100
177	Germany	6¾	06/21/99	105.9200	6.3700
181	Germany	6	02/20/98	101.8900	5.8900
186	Germany	5¾	08/20/97	100.5500	5.7200
194	Russia	9	03/25/04	99.9500	9.0000
198	Germany	6⅛	05/20/98	102.8800	6.2000
200	Germany	8¾	05/22/00	112.6900	7.7600
204	Germany	6⅝	01/20/98	102.0700	6.4900
205	Cap Credit Card	5⅝	08/15/01	102.7669	5.4700
206	KFW	5½	03/12/07	96.0850	5.7200
212	Germany	8½	08/21/00	112.4900	7.5600
214	German States	6	01/29/07	100.0667	6.0000
217	Deut Ausgleichs	6	07/04/07	95.6300	6.2700
222	Spain	7	01/05/00	107.0000	6.5400
230	Eksportfinans	zero	12/17/01	81.3168	4.6400
240	Treuhand	6⅛	03/26/98	102.5033	5.9800
248	Dresdner Fin	5½	04/30/04	100.0000	5.5000
Dutch Guilder					
16	Netherlands	6¼	07/15/98	102.8800	6.0800
35	Netherlands	5¾	02/15/07	99.6500	5.7700
73	NetherlTbills	zero	07/31/97	98.8717	6.6900
78	Netherlands	7¾	03/01/05	113.40	6.8300
83	Netherlands	8½	03/15/01	113.40	7.5000
100	Netherlands	6	01/15/06	101.8500	5.8900
101	Netherlands	7½	06/15/99	107.0500	7.0100
106	Netherlands	8¼	06/15/02	114.6500	7.2000
108	Netherlands	9	01/15/01	114.6500	7.8500
113	Netherlands	5¾	01/15/04	102.0500	5.6300
114	Netherlands	7½	01/15/23	111.70	6.7100
117	Netherlands	6¾	11/15/05	106.8500	6.3200
124	Netherlands	5¾	09/15/02	103.3500	5.5600
144	Netherlands	8¼	02/15/00	110.3000	7.4800
149	Netherlands	6½	07/15/98	103.1500	6.3000
151	Netherlands	7	03/15/99	105.4000	6.6400
153	Netherlands	8¾	09/15/01	115.45	7.5800
158	Netherlands	7¼	10/01/04	110.45	6.5600
160	Netherlands	7¾	01/15/00	108.9000	7.1200
169	Netherlands	zero	06/30/97	99.7312	2.9300
174	Netherlands	7½	04/15/10	112.90	6.6400
178	Netherlands	7	06/15/05	108.7000	6.4400
189	Netherlands	6¾	10/01/98	104.0000	6.4900
199	Netherlands	7	02/15/03	109.2000	6.4100
201	Netherlands	8¼	09/15/07	118.1000	6.9900
208	Netherlands	9	05/15/00	113.0500	7.9600
219	Netherlands	8¼	02/15/02	114.1000	7.2300
226	Mbna Amer Sfr	6	05/21/07	99.5000	6.0300
249	Netherlands SP	zero	01/15/23	16.9300	7.1700
250	Netherlands	8¾	05/01/00	112.20	7.8000
ECU					
65	France OAT	5½	04/25/07	94.5000	5.8200
75	France OAT	7	04/25/06	105.4000	6.6400
98	France OAT	6	04/25/04	101.2500	5.9300
111	France OAT	8½	03/15/02	113.8000	7.4700
125	Britain T-note	5	01/26/99	100.8375	4.9600
128	France BTAN	5	03/16/99	101.2100	4.9400
150	France OAT	7½	04/25/05	109.6000	6.8400
179	France OAT	8¼	04/25/22	113.6000	7.2600
183	Britain	9⅛	02/21/01	113⅛	8.0200
192	Italy	6	04/02/04	100.0000	6.0000
213	France B.T.A.N.	6	03/16/01	103.6900	5.7900
French Franc					
94	FranceOAT	5½	04/25/07	97.3000	5.6500
119	France OAT	6½	10/25/06	104.9700	6.1900
139	France OAT	7¼	04/25/06	110.4400	6.5600
145	France BTAN	4¾	04/12/99	101.6000	4.6800
224	Catalunya Gen	8¼	03/24/05	114⅛	7.2300
237	France B.T.A.N.	4¾	03/12/02	99.5600	4.7700
242	France B.T.A.N.	4½	10/12/98	100.9900	4.4600
Finnish Markka					
122	Finland sr 1999	11	01/15/99	111.1709	9.8900
202	Finland Serial s	7¼	04/18/06	106.3474	6.8200
Italian Lira					
163	Italy	6½	03/01/02	98.1100	6.3700
180	Italy	7¾	09/15/01	103.6000	7.4800
235	Deutsche Bk Fin	zero	01/20/32	6¼	8.0900
Japanese Yen					
121	Spain	3.1000	09/20/06	102.0623	3.0400
155	World Bank	4½	03/20/03	112.4697	4.0000
157	Italy	3¾	06/08/05	106.6250	3.5200
188	FEK	6	05/28/98	104.2268	5.7600
231	World Bank	5¾	03/20/02	114.8470	4.5700
234	Fannie Mae	2	12/20/99	101.4391	1.9700
245	World Bank	4¾	12/20/04	115⅝	4.1200
247	New America	5¼	05/18/00	100.0000	5.2500
Portuguese Escudo					
118	Bco De Investil		02/28/07	100.0000	
South African Rand					
50	Deut Fin NV	zero	05/27/27	3.3000	12.0400
Spanish Peseta					
173	Spain	9.4000	04/30/99	107.5200	8.7400
241	Spain	8	05/30/04	109.6150	7.3000
244	Spain	7.9000	02/28/02	108.6790	7.2700
Swedish Krona					
64	Sweden	11	01/21/99	109.1960	10.0700
146	Sweden	6	02/09/05	95.0070	6.3200
147	Sweden	6½	10/25/06	96.3250	6.7500
185	Sweden	10¼	05/05/03	118.2040	8.6700
187	Sweden	13	06/15/01	124.8700	10.4100
190	Sweden 1037	8	08/15/07	106.3350	7.5200
211	Sweden 1036	10¼	05/05/00	112.4890	9.1100
232	Sweden	9	04/20/09	113.9370	7.9000
U.S. Dollar					
1	Brazil Cap S.L	4½	04/15/14	88.9819	5.0600
9	Argentina par L	5½	03/31/23	69.3261	7.9300
15	Brazil par ZI	5¼	04/15/24	65.7809	7.9800
17	Argentina FRN	6¾	03/29/05	89.7580	7.5200
22	Argentina	11¾	01/30/17	107.8409	10.5500
26	Mexico	11½	05/15/26	109.9118	10.4600
27	Brazil S.ZI FRN	6⅞	04/15/24	83.3809	8.2500
29	Venezuela FRN	6½	12/18/07	91.4882	7.1000
33	Brazil L FRN	6⅞	04/15/06	91.2510	7.5300
34	Venezuela par A	6¾	03/31/20	75.0624	8.9900
37	British Telecom	7	05/23/07	98.6746	7.0900
51	Brazil FRN	6½	01/01/01	98.4250	6.6000
56	Brazil S.L FRN	6⅝	04/15/12	82.6875	8.3900
59	Mexico FRN	7⅞	08/06/01	100.7300	7.8200
79	Bulgaria FRN	6⅝	07/28/11	68.1695	9.6300
80	Ecuador FRN	3¼	02/28/15	65.6852	4.9500
82	Mexico par A	6¼	12/31/19	74.5996	8.3800
85	Mexico par B	6¼	12/31/19	73.2205	8.5400
91	Morgan Guar T	6¾	05/28/02	99.4863	6.7800
92	Brazil S.L FRN	6⅝	04/15/09	87.3125	7.9500
95	Bulgaria FRN	6⅝	07/28/24	68.9063	9.5200
103	Venezuela par B	6¾	03/31/20	76.1250	8.8700
104	Argentina FRN	6⅞	03/31/23	85.5000	8.0100
105	Brazil Cbond S.L	4½	04/15/14	88.3450	5.0900
109	Turkey	10	05/23/02	102.1250	9.7900
116	British Gas	zero	11/04/21	15¼	7.9900
120	BayerVereinsbank	6¾	05/22/00	100.2500	6.7300
126	Mexico	9⅞	01/15/07	106.0784	9.3100
129	Russia	9¼	11/27/01	99.3581	9.3100
136	Ecuador par	3½	02/28/25	44.8125	7.8100
138	Argentina FRN	5.7031	04/01/01	128.3500	4.4400
141	Brazil	6	09/15/13	75.3767	7.9600
142	Mexico	11¾	09/15/16	108.6250	10.4700
143	Poland Inter	4	10/27/14	83.7188	4.7800
152	Mexico D FRN	6.3516	12/28/19	95.2351	6.6700
154	Brazil	8⅞	11/05/01	102.6250	8.6500
156	Mexico A FRN	6.8672	12/31/19	92.0625	7.4600
159	Italy FRN	5.7188	05/12/02	99.8100	5.7300
162	Poland FRN	6⅝	10/27/24	98.0754	7.0700
165	Sallie Mae	4½	08/02/99	96.0000	4.6900
166	Bulgaria	2¼	07/28/12	52.2500	4.3100
167	Brazil S.L FRN	6⅝	04/15/12	82.1366	8.4500
168	Mexico C FRN	6.8203	12/31/19	92.0432	7.4100
171	Bco Com Ext.	7¼	02/03/04	91.7500	7.9000
172	British Telecom	6¾	04/25/02	99.5878	6.7800
176	IADB	6⅝	03/07/07	97.3716	6.8000
182	Italy	6⅞	09/27/23	91.7902	7.4900
184	Mexico B FRN	6.8359	12/31/19	92.7326	7.3700
191	Landes kasOef	6¾	05/21/02	99.5000	6.7800
195	Argentina	11	10/09/06	108.8750	10.1000
196	EIB	zero	11/06/26	12⅝	7.2800
197	Peru Pdi	4	03/07/17	62.6250	6.3900
203	Quebec	7	01/30/07	97.3750	7.1900
209	Fst Nat Bk Chic	7	05/08/00	100.3750	6.9700
210	BadWuert L Fin	7	04/30/02	101.1990	6.9200
215	Peru Pront	3¼	03/07/17	56.6250	5.7400
218	Tokyo Elec Pwr	7	02/13/07	99.5196	7.0300
220	Ontario	7⅛	01/27/03	102.0000	7.2300
221	Ecuador FRN	6⅝	02/28/25	69.3750	9.2800
223	EJapan Railway	7¼	10/11/06	99.3750	7.3000
227	Guang Enter	8⅞	05/22/07	99.7500	8.9000
228	France Telecom	zero	06/19/97	99.6756	5.2900
229	China Intl T&inv	6.3187	05/23/02	99.9000	6.3200
233	Blc Capital Trust	6.5117	12/30/26	98.4300	6.6200
243	Mbna Master Cr	5.7575	03/15/01	100.1294	5.7500
246	Ontario	6	02/21/06	92.7500	6.4700

The Week Ahead: World Economic Calendar, June 2-6

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** Board of Investments sponsors an investment forum "Investmart '97." Monday to Wednesday. **Seoul:** South Korea hosts the Asia Shipping Forum, concerning shipping affairs. Tuesday to Friday. **Singapore:** Asian Aircraft Finance Forum. Wednesday to Thursday.	**Pretoria:** The Reserve Bank may release preliminary gold and foreign exchange reserves for May. **Earnings expected:** Carlsberg A/S, EA-Generali AG; Boots Company PLC, Railtrack Group PLC.	**Atlanta:** Spring Consumer Electronics Show. Monday to Thursday. **New York:** PaineWebber Inc. presents "Aggressive Growth & Technology Conference." Tuesday to Thursday. **Washington:** National Cotton Council's board meets. Until Wednesday.
Monday June 2	**Bangkok:** Commerce Ministry reports consumer price index for May. **Sydney:** Reserve Bank of Australia's May commodity price index. **Tokyo:** Japan Automobile Dealers Association releases May figures for vehicle sales.	**London:** Bank of England releases April monetary and financial statistics and figures for M4 growth rates and lending to individuals and the May provisional estimates of M0. **Paris:** Ministry of Labor releases May unemployment figures.	**Washington:** Commerce Department reports April personal income and spending; April construction spending; National Association of Purchasing Management releases its May purchasing managers' index.
Tuesday June 3	**Canberra:** Australian Bureau of Agriculture and Resource Economics to issue Australian crop report. **Hong Kong:** Government holds land auction for three parcels. **Tokyo:** Business trends survey in the first half of this year.	**Brussels:** Meeting of Renault SA management and employees of Vilvoorde plant in Belgium hold a meeting to discuss the plant's closure. **Earnings expected:** De La Rue PLC, National Grid Group PLC, Vodafone Group PLC.	**New York:** LJR Redbook Research service releases its weekly survey of total U.S. sales at more than 20 department, discount and chain stores. **Washington:** Conference Board reports March leading indicators.
Wednesday June 4	**Jakarta:** May inflation rate and March trade balance are released. **Tokyo:** The Bank of Japan releases April data on average lending rates; Price Bureau of the Economic Planning Agency convenes committee on "Price Structural Policy."	**London:** Cities International Expo. Speakers include Tesco Corp.'s chief executive, Bob Tessari. **Rome:** Istat releases May final consumer prices numbers. **Earnings expected:** British Energy PLC, Southern Electric PLC.	**Washington:** Commerce Department reports factory orders for March; Mortgage Bankers Association of America releases weekly report on mortgage applications; U.S.-China Business Council sponsors annual meeting.
Thursday June 5	**Seoul:** Prime Minister Koh Kun meets with heads of financial institutions to seek ways to stabilize the financial industry. **Taipei:** May consumer price inflation. **Tokyo:** April household spending data, May trade figures.	**London:** Confederation of British Industry releases survey of distributive trades for May. **Paris:** Bank of France Monetary Council meets; government announces price range for France Telecom SA's initial public offering.	**Washington:** Commerce Department reports April housing completions; Labor Department reports initial weekly state unemployment compensation insurance claims; weekly money supply.
Friday June 6	**Hong Kong:** Government releases external trade volume and price statistics for March. **Tokyo:** Bank of Japan releases Bank of Japan accounts and its annual review of monetary and economic developments for fiscal 1996.	**London:** Bank of England's Monetary Policy Committee meets to decide whether to change interest rates. **Rome:** Istat releases March industrial orders and sales numbers. **Stockholm:** May jobless figures.	**Washington:** Labor Department reports May unemployment; Commerce Department reports April wholesale trade; Federal Reserve Systems releases its weekly report on commercial and industrial loans at U.S. commercial banks.

New International Bond Issues

Compiled by Paul Floren

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
First Chicago NBD	$300	2004	0.75	99.833	—	Over 3-month Libor. Callable in 2001. Fees 0.20%. (Salomon Brothers Intl.)
Household Bank Nevada	$400	2004	0.15	99.655	—	Over 3-month Libor. Noncallable. Fees 2¼%. (Morgan Stanley.)
Cofinoga	FF1,000	2000	0.625	100	—	Over 3-month Pibor. Noncallable. Fees 0.15%. (Credit Commercial de France.)
Fixed-Coupons						
AB Svensk Exportkredit	$350	2000	6.01	99.13	—	Noncallable. Fees 0.20%. (Yamaichi.)
Associates Corp.	$500	2007	7⅛	101.271	100.40	Reoffered at 99.621. Noncallable. Fees 2%. (Goldman Sachs.)
Banco Hipotecario Nacional	$125	1999	8	99.99	—	Noncallable. Fees 0.40%. (Lehman Brothers.)
British Columbia	$500	2007	7⅛	101.231	100.20	Reoffered at 99.556. Noncallable. Fees 2%. (Merrill Lynch.)
Credit Local de France	$100	2002	6⅞	101.65	100.30	Reoffered at 100.025. Noncallable. Fees 1⅞%. (Banque Intl. a Luxembourg.)
Finance for Danish Industry	$350	2001	6¾	101.115	98.83	Reoffered at 99.715. Noncallable. Fees 1⅝%. (Salomon Brothers.)
Moscow	$500	2000	9½	99.80	100.45	Noncallable. Fees 1%. (CSFB.)
Tokyo Electric Power	$500	2007	7⅛	99.815	100.35	Noncallable. Fees 0.325%. (Goldman Sachs Intl.)
Deutsche Finance	DM500	2002	4¾	101.025	100.15	Reoffered at 99.275. Noncallable. Fees 2%. (Deutsche Morgan Grenfell.)
Lebanon	DM250	2002	6½	101⅝	99.88	Reoffered at 99.75. Noncallable. Fees 2½. (Commerzbank.)
Oesterreichische Kommunalkredit	DM200	2007	6⅛	102.96	—	Noncallable. Fees 3%. (Landesbank.)
Ottoman Finance	DM150	2000	8	100.425	99.75	Reoffered at 100. Noncallable. Fees 1.8%. (J.P. Morgan.)
Solvenia	DM400	2004	5¾	101.443	99.18	Reoffered at 99.043. Noncallable. Fees 2¼%. (CSFB.)
European Investment Bank	£250	2006	7⅝	100.963	101.10	Noncallable. Fungible with outstanding issue raising total to £950 million. Fees 0.325%. (HSBC.)
DR Investments	£100	2007	8⅛	100.882	100.05	Reoffered at 99.332. Noncallable. Fees 2%. (J.P. Morgan.)
Sutton Bridge Financing	£195	2022	8⅝	99.523	100.30	Semi-annual. Noncallable. Fees 1%. (Merrill Lynch.)
OCE-VAN der Grinten	DF300	2007	6¼	100.855	—	Reoffered at 99.28. Noncallable. Fees 2%. (ABN-AMRO.)
Eurofima	Aschl1,000	2002	7⅞	100¼	—	Noncallable. Fees not disclosed. (Creditanstalt Bankverein.)
Nordic Investment Bank	SRand2,000	2027	zero	2.88	—	Yield 12.58. Noncallable. Fees 0.25%. (Hambros Bank.)
Toyota Finance Australia	Aus$150	2001	7	101.665	—	Noncallable. Fees 1⅛%. (BZW.)
Galois	Y35,000	2007	2¾	100	—	Noncallable. Fees 0.35%. (Intl. Bank of Japan.)

Last Week's Markets

Stock Indexes

	May 30	May 23	% Ch'ge
United States			
DJ Indus.	7,331.04	7,349.91	–0.20
DJ Util.	222.00	220.56	+0.65
DJ Trans.	2,684.12	2,693.37	–0.34
S & P 100	826.70	831.95	–0.63
S & P 500	848.28	847.03	+0.15
S & P Ind	1,000.53	999.55	+0.10
NYSE Cp	441.78	440.28	+0.34
Nasdaq Cp	1,400.32	1,389.72	+0.76
Japan			
Nikkei 225	20,068.81	20,009.00	+0.96
Britain			
FTSE 100	4,621.30	4,661.80	–0.87
Canada			
TSE Indus.	6,385.00	6,421.50	–0.57
France			
CAC 40	2,583.94	2,762.90	–6.48
Germany			
DAX	3,547.84	3,602.19	–1.51
Hong Kong			
Hang Seng	14,757.81	14,331.68	+2.97
World			
MSCIP	902.16	896.77	+0.60

World Index from Morgan Stanley Capital Intl Perspective.

Money Rates

	May 30	May 23
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5½	5½
Japan		
Discount	0.50	0.50
Call money	0.44	0.43
3-month interbank	0.56	0.53
Britain		
Bank base rate	6¼	6¼
Call money	6¼	6¼
3-month interbank	6⅞	6⅞
France		
Intervention rate	3.10	3.10
Call money	3¼	3⅝
3-month interbank	3⅝	3⅝
Germany		
Lombard	4.50	4.50
Call money	3.08	3.05
3-month interbank	3.20	3.20

Gold	May 30	May 23	% Ch'ge
London p.m. fix $	345.60	342.55	+0.89

Euromarts

Eurobond Yields

	May 30	May 23	Yr high	Yr low
U.S. $, long term	6.98	7.01	7.08	6.53
U.S. $, mdm term	6.62	6.60	6.83	6.10
U.S. $, short term	6.34	6.41	6.50	5.96
Pounds sterling	7.40	7.33	7.75	7.09
French francs	5.03	5.03	5.03	4.66
Italian lire	6.97	7.09	7.78	6.97
Danish kroner	5.69	5.61	5.92	5.38
Swedish kronor	5.40	5.46	5.61	4.82
ECUs, long term	6.32	6.23	6.42	5.76
ECUs, mdm term	5.46	5.37	5.47	4.76
Can. $	6.27	6.28	6.51	5.70
Aus. $	7.23	7.28	7.86	7.11
N.Z. $	7.55	7.67	8.39	7.19
Yen	2.07	2.06	2.09	1.64

Source: Luxembourg Stock exchange.

Weekly Sales May 30

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Primary Market				
Straights	173.6	597.0	2,157.1	3,860.0
Convert.	1.2	—	49.2	0.9
FRNs	458.0	349.3	372.0	87.6
ECP	8,822.6	11,004.0	15,053.7	11,958.4
Total	9,455.4	11,999.5	17,632.0	15,906.9
Secondary Market				
Straights	21,289.1	12,151.1	85,707.5	28,246.9
Convert.	726.7	620.5	2,778.9	1,370.7
FRNs	13,535.3	4,875.0	47,206.5	5,480.4
ECP	12,151.1	17,758.3	19,406.3	25,669.7
Total	47702.2	35404.9	155,119.2	60,767.7

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5 11/16	5¾	6
Deutsche mark	3⅛	3¼	3¼
Pound sterling	6½	6⅝	[illegible]
French franc	3½	3⅜	[illegible]
ECU	4⅛	[illegible]	4¼
Yen	½	⅝	¾

Sources: Lloyds Bank, Reuters.

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Central Bank May Move on Thai Lenders

Compiled by Our Staff From Dispatches

BANGKOK — The Bank of Thailand on Monday will request powers to order immediate mergers among 33 troubled finance companies, according to a newspaper report published Sunday.

The central bank will seek a decree from the cabinet giving it absolute authority to tackle the ailing financial sector, unnamed officials were quoted as saying.

The bank's move comes after earlier merger incentives failed, the report said.

The decree, if approved, would empower the central bank to order finance companies to merge without having to seek shareholder approval, the paper said.

The Bank of Thailand's assistant governor, Siri Ganjarerndee, confirmed that authorities were looking at new measures, but he denied the central bank would seek a decree on Monday, the Bangkok Post reported Sunday.

Thailand's finance and securities firms have been hit by declining asset quality brought about by troubled lending to an oversupplied property market and consumer financing.

A plan to merge Finance One PLC, formally the country's leading finance firm, and medium-sized Thai Danu Bank PLC collapsed last month.

There are approximately 90 firms in the sector with combined lending of around $58 billion. The exact extent of the problem loans is unknown but many analysts have estimated that about 10 percent are nonperforming.

The firms have also seen the value of their securities portfolios decline on the battered local stock market. The Stock Exchange of Thailand index closed Friday at 566.39, less than half its value a year ago. Finance One shares lost more than two-thirds of their value Friday as they traded for the first time since Feb. 28. *(Reuters, Bloomberg)*

Technology's Treacherous 7-Year Cycle

By Floyd Norris
New York Times Service

Behold, there come seven years of great plenty. And there shall arise after them seven years of famine, and all the plenty shall be forgotten.
Genesis 41:29-30

NEW YORK — Using the Bible to forecast the stock market is not orthodox, to say the least. But the greatest stocks of our time — the technology stocks — do seem to run in seven-year cycles.

INVESTING

Perhaps it takes that long for people to get over the shock of the previous cycle's ending.

The great tech-stock bull market before the current one ended in the summer of 1983, when it seemed that every little personal-computer stock was hot. (One computer company had to cancel its stock offering when its founder died, while celebrating the success of the deal. But the publicity from that cancellation made the stock even hotter when it went public again a bit later. The company eventually went broke.)

The one before that peaked in about 1969, 14 years earlier, when hot technology stocks made go-go mutual fund managers famous. In those days, it was good enough to sound techy. For example, Performance Systems Inc., which had changed its name from Minnie Pearl Fried Chicken, was briefly a star.

It was almost seven years ago, in the fall of 1990, when technology stocks came alive again. Investors had gradually abandoned the breed after 1983, and by 1990 one small-stock mutual fund, desperate to convince investors that it had changed its losing ways, was promising that never again would it have a big position in technology stocks.

By then, everyone knew that technology companies were vulnerable to falling prices for their products and to competition that could come out of any garage.

In the years since, investors have gradually warmed to technology stocks, although the love affair with smaller ones is nothing like it was a couple of years ago.

That is because a lot of those hot new issues in 1995 and 1996 did not work out. To demonstrate, we found the 10 hottest new technology issues that made their debuts between May 1995 and May 1996. All were so popular that underwriters were able to sell them for more than the highest prices mentioned when the companies filed to go public. All saw their prices leap at least 75 percent on the first day of trading.

Cycles of Intel

Changes in Intel's stock price.

1975 low to 1983 high	+2,540%
1983 high to 1990 low	−15%
1990 low to 1997 high	+2,325%

NYT

How have they done? If you managed to get in on the offerings — meaning if you knew somebody or were a very important customer of an underwriting firm — you're still in the money. An investor who put $1,000 into each of the 10 stocks at the offering price would now have a portfolio worth $16,623.

But an investor who bought on the first day of trading of each stock would have seen $10,000 shrink to $8,131 — in a bull market.

Technology stocks were on a roller coaster last week. They soared Tuesday, in a move that James Cramer, the money manager and journalist who writes on the Internet for thestreet.com, traced to some not-so-clever money managers getting caught in a disastrous index-options trade that forced them to buy at any price. On Friday, technology stocks tumbled after Intel said its sales would not be up to expectations.

Has this cycle ended? Who knows? There are still plenty of tech believers, as could be seen late Friday, when Intel recovered to close at $151.50, down $12.27, after hitting $137.875 in the morning. Its price assumes that revenue will still keep rising and that neither competition nor recession is a serious threat.

The fears of 1990 are almost totally forgotten. It took only seven years.

SHORT COVER

A Pause in the Staples Merger?

WASHINGTON (Reuters) — Staples Inc. and Office Depot Inc. should remain separate until their case works its way through the courts because their proposed $4 billion merger cannot be reversed later, government lawyers said in a brief scheduled for submission on Monday.

District Judge Thomas Hogan will decide this month whether to grant the Federal Trade Commission a preliminary injunction barring the merger. It would last until the courts finish their work on the case, which could take a year or longer.

Rome Central Bank Wary of Prices

ROME (Bloomberg) — Italy's inflation rate is not entirely under control, said Bank of Italy's governor, Antonio Fazio, and he hinted that a rate cut is not immediately in the works.

Speaking at the Bank of Italy's annual meeting, Mr. Fazio said, "the inflationary flames are not totally out," and made clear the Bank of Italy wanted to see an annual inflation rate of 2 percent or less next year. Italian consumer price inflation has only been below 2 percent since April this year and was at a provisional 1.6 percent in May.

Taiwan Encourages Investment

TAIPEI (Bloomberg) — The Ministry of Finance said Sunday it had raised the ceiling for each foreign investor to invest in Taiwan stocks to $50 million from $20 million, effective Monday.

On Saturday, Y. D. Sheu, governor of the central bank, said Saturday that companies would be allowed to move $50 million of funds per year in or out of the island without government approval.

Nemtsov Wants Gas Price Cut

MOSCOW (Reuters) — Russia should sell its gas at lower prices domestically to help out its struggling industry, the Interfax news agency quoted First Deputy Prime Minister Boris Nemtsov as saying on Sunday.

"Since the production of Russian industry is not competitive today, we cannot sell gas inside Russia at world prices," he said.

• **Bank Leumi** of Israel posted first-quarter net earnings of 618.3 million shekels ($182.3 million), up from 110.9 million a year earlier, buoyed by one-time gains from asset sales.

• **Toyota Motor Corp.** is planning to launch its utility range of vehicles in India in a joint venture with the Kirloskar Group of India, officials said. *AFP, Reuters, Bloomberg*

Korea's Hanshin Defaults on Payment to Creditors

Compiled by Our Staff From Dispatches

SEOUL — Hanshin Construction Co., one of South Korea's biggest housing contractors, has defaulted on a payment to a group of creditor banks, a move that places the troubled company closer to bankruptcy.

Hanshin failed on Saturday to honor a total of 21.61 billion won ($24.2 million) in bank promissory notes at Hana Bank, Dong Hwa Bank and SeoulBank, said an official at SeoulBank, the company's prime creditor.

Unless Hanshin pays the notes by the close of business on Monday, the bank official said the company would be in what is known as first default. A company is insolvent on the third default.

Hanshin, the country's 50th largest company, sought court protection on Friday after determining it would not be able to pay its debts, a company spokesman said.

He said Hanshin had assets of 1.28 trillion won and liabilities of 1.99 trillion won.

The failure would be the latest in a string of bankruptcies involving major Korean companies, most notably two steel manufacturers, Hanbo Group and Sammi Group. *(Reuters, Bloomberg)*

Airbus Restructuring Grounded

Split-Up of Civil and Military Programs Daunts Consortium

Reuters

FRANKFURT — Airbus Industrie, the European consortium, has decided to postpone a planned restructuring that would make it an independent company, according to a German newspaper report on Sunday.

Welt am Sonntag reported that the Airbus supervisory board had decided on the change in strategy at a May 27 meeting in Toulouse, France. No Airbus spokesman was immediately available for comment.

The report said difficulties over the splitting up of Airbus's civil and military programs had complicated the negotiations being held by the partners in the aircraft-manufacturing consortium.

Airbus announced the restructuring plan in January in a bid to reduce manufacturing costs and to facilitate international business alliances while paving the way for outside financial participation, including the possible sale of shares to the public.

The change in strategy was influenced by the U.S. aerospace giant Boeing Co.'s proposed takeover of McDonnell Douglas Corp., the report said. The partners in the Airbus consortium include Aerospatiale of France and Daimler-Benz AG of Germany, each of which controls 37.9 percent of the venture. British Aerospace PLC holds a 20 percent stake and Construcciones Aeronauticas SA of Spain controls the rest, a 4.2 percent holding.

Airbus executives said in January that the transfer of assets envisioned in the restructuring hinged not only on a judgment of "how far the assets are essential" for the construction of airliners, but also on a "detailed valuation" of the assets, which Airbus had expected to complete by the end of the year.

Airbus won roughly 35 percent of new commercial aircraft orders last year, with Boeing and McDonnell Douglas together controlling the rest of the market.

ARGENTINA: *Stability Comes at a High Price*

Continued from Page 13

The model has been widely adopted because of its promise to make countries more efficient, stabilize inflation, improve productivity, attract foreign investment, create new jobs and improve social conditions.

In Argentina, the revisions reduced inflation from 5,000 percent in 1990, the year after Mr. Menem took office, to less than 4 percent today.

The economy, which grew 4 percent last year, has all but recovered from the deep recession that was caused by the Mexican currency crisis two years ago and it is now expected to post a growth rate of 5 percent to 6 percent this year.

The cornerstone of Argentina's stability has been an exchange-rate policy known as the convertibility plan, which fixes the Argentine peso by law at a 1-to-1 ratio to the dollar and prohibits the printing of local currency unless it is backed by new capital.

Mr. Fernandez said in a recent interview that he was confident the recent pickup in the economy would reduce unemployment, which has remained at around 17 percent for more than a year now.

The problem is directly linked to the economic changes.

Hundreds of thousands of Argentines have lost their jobs in recent years as the federal government has sold state industries to investors who reduced bloated payrolls and as private industry, seeking to become more competitive, installed new technology that required fewer workers.

The finance minister said that, based on a calculation that unemployment declined 1 percentage point for every three points of economic growth, he expected the unemployment rate to fall to 15 percent by December.

"We believe the recovery process will be quick," Mr. Fernandez said.

"If we continue at this rhythm, the Argentine economy will reduce its unemployment rate in a short period of time."

Michel Camdessus, managing director of the International Monetary Fund, said on a visit here in late May that while he was confident that Argentina's economy would grow by 6 percent this year, the government needed to do more for the poor.

"Argentina's reforms could fail if efforts are not made during this phase to reduce the gap in income distribution and to create opportunities for the disadvantaged," Mr. Camdessus told local bankers.

But not everyone believes that Argentina can maintain such high growth rates. Charles Brown, an economist with Morgan Stanley, estimates that the Argentine economy will grow by only 4.5 percent this year.

Mr. Brown said that the government, which is on a tight budget and has little room to increase social spending, would have difficulty producing new jobs. He said that Argentina's growth had been concentrated in capital-intensive areas such as mining that did not provide employment to large numbers of people.

"I don't get the impression that the underlying causes of unemployment in Argentina are going to go away anytime soon," Mr. Brown said.

Many economists expect an overhaul of Argentina's labor system, which makes dismissing employees extremely expensive, to lower the risk of taking on new employees and promote job growth among small and medium-size businesses.

But the government's labor revision bill is stalled in Congress because of strong opposition from labor unions and the prospect of the October elections.

Some business leaders have criticized Mr. Fernandez, who unlike Mr. Cavallo has rarely inserted himself in the political debate, for not pressuring the Congress to pass the bill.

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NOTICE TO THE SHAREHOLDERS

The Board of Directors has decided to distribute on basis of the incomes of the financial year ended on December 31, 1996, a dividend to the shareholders of "B" shares of each compartment held on June 10, 1997 as follows:

COMPARTMENT	AMOUNT OF DIVIDEND PER SHARE	COUPON TO BE TENDERED
GLOBAL QUALITY GROWTH FUND	USD 0.50	1
USA BALANCED FUND	USD 0.25	1

These dividends will be paid to all "B" shareholders of each compartment from June 17, 1997 on against delivery of coupons hereabove mentioned at the following establishment:

Banque Paribas Luxembourg
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In accordance with the articles of incorporation, dividends not claimed within 5 years of the precited date will lapse and revert to the concerned compartments.

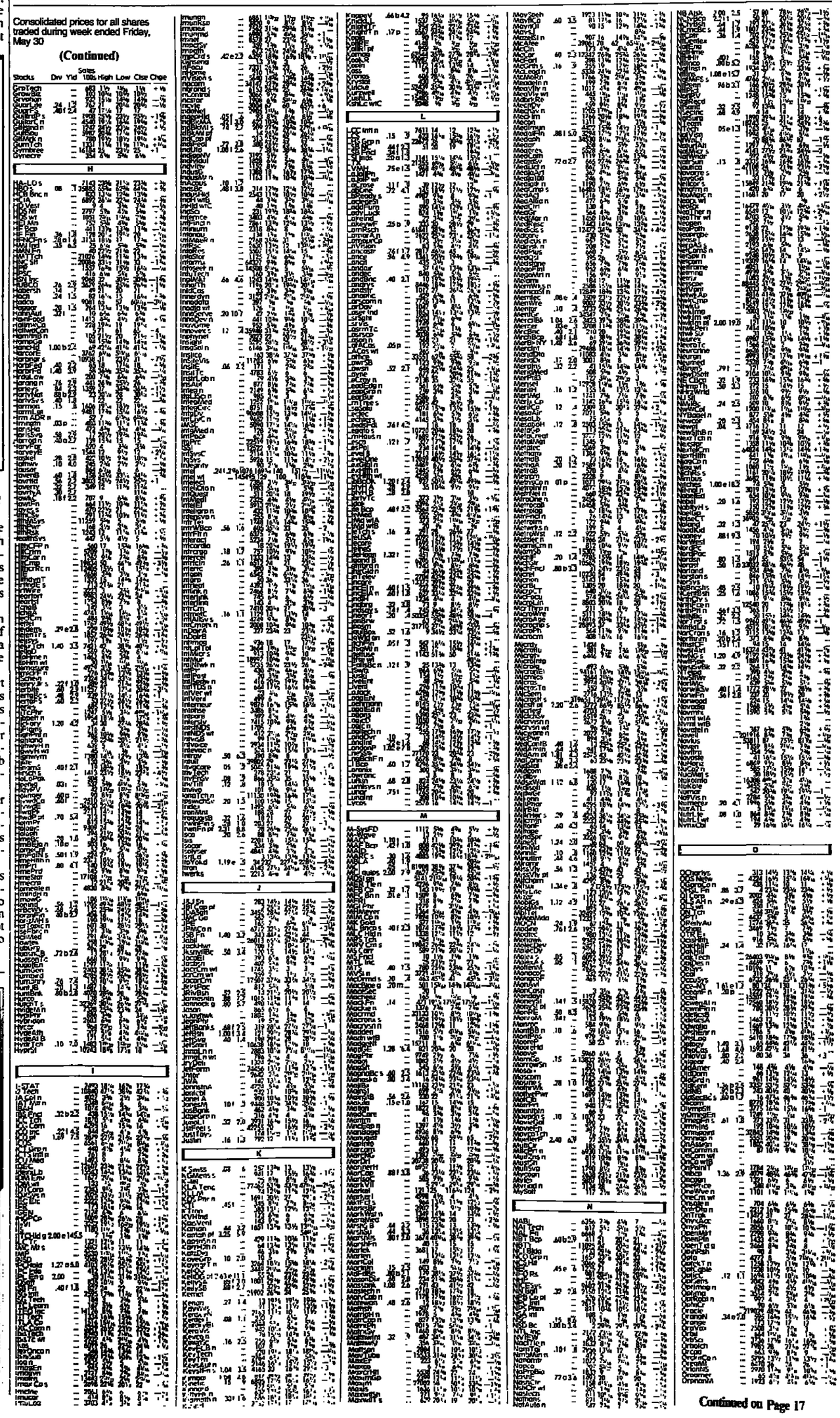
The amount of the dividends attributable to "A" shareholders will be capitalized.

For the Board of Directors

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, May 30

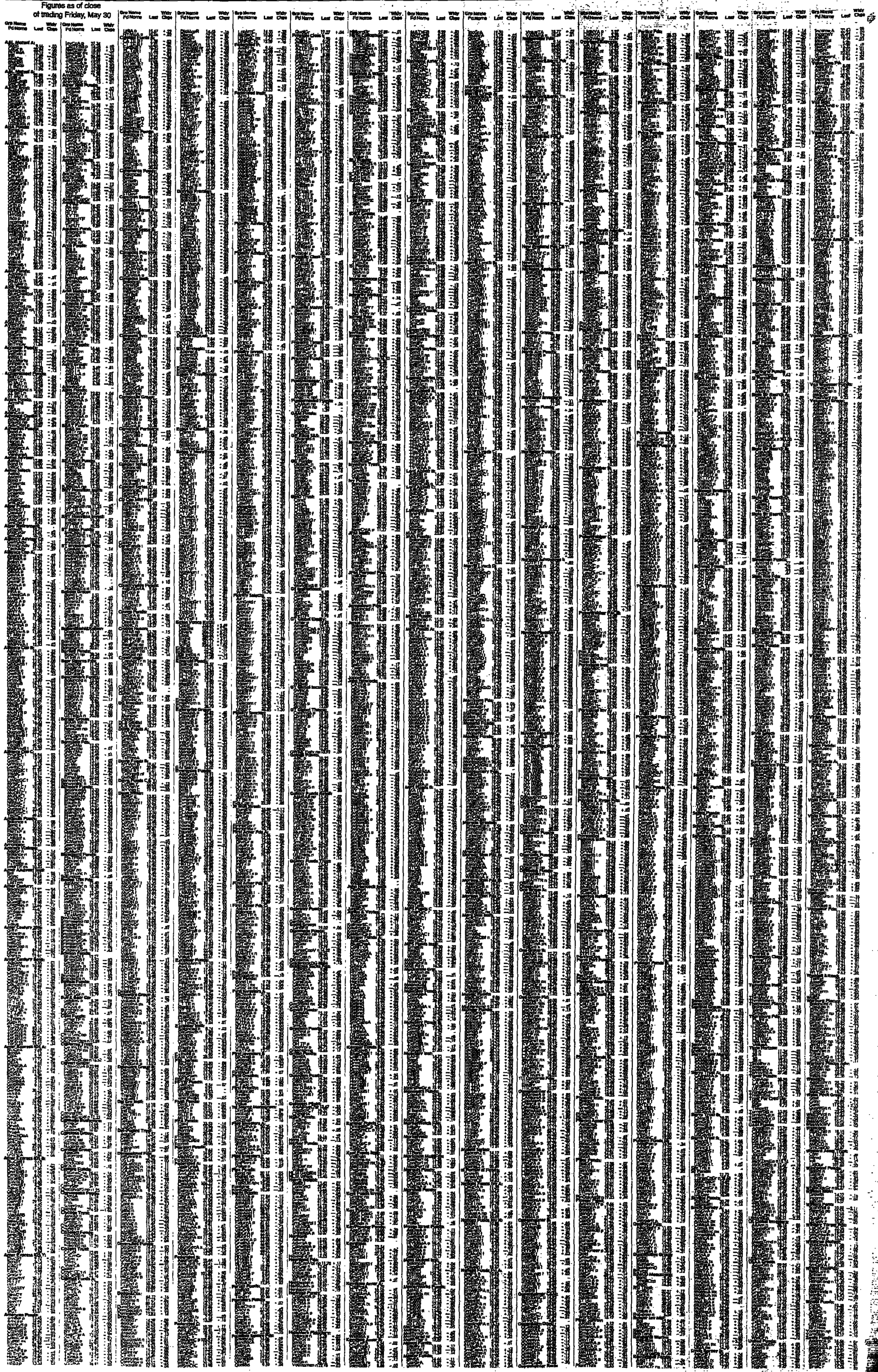
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Continued on Page 17

MUTUAL FUNDS

Figures as of close of trading Friday, May 30



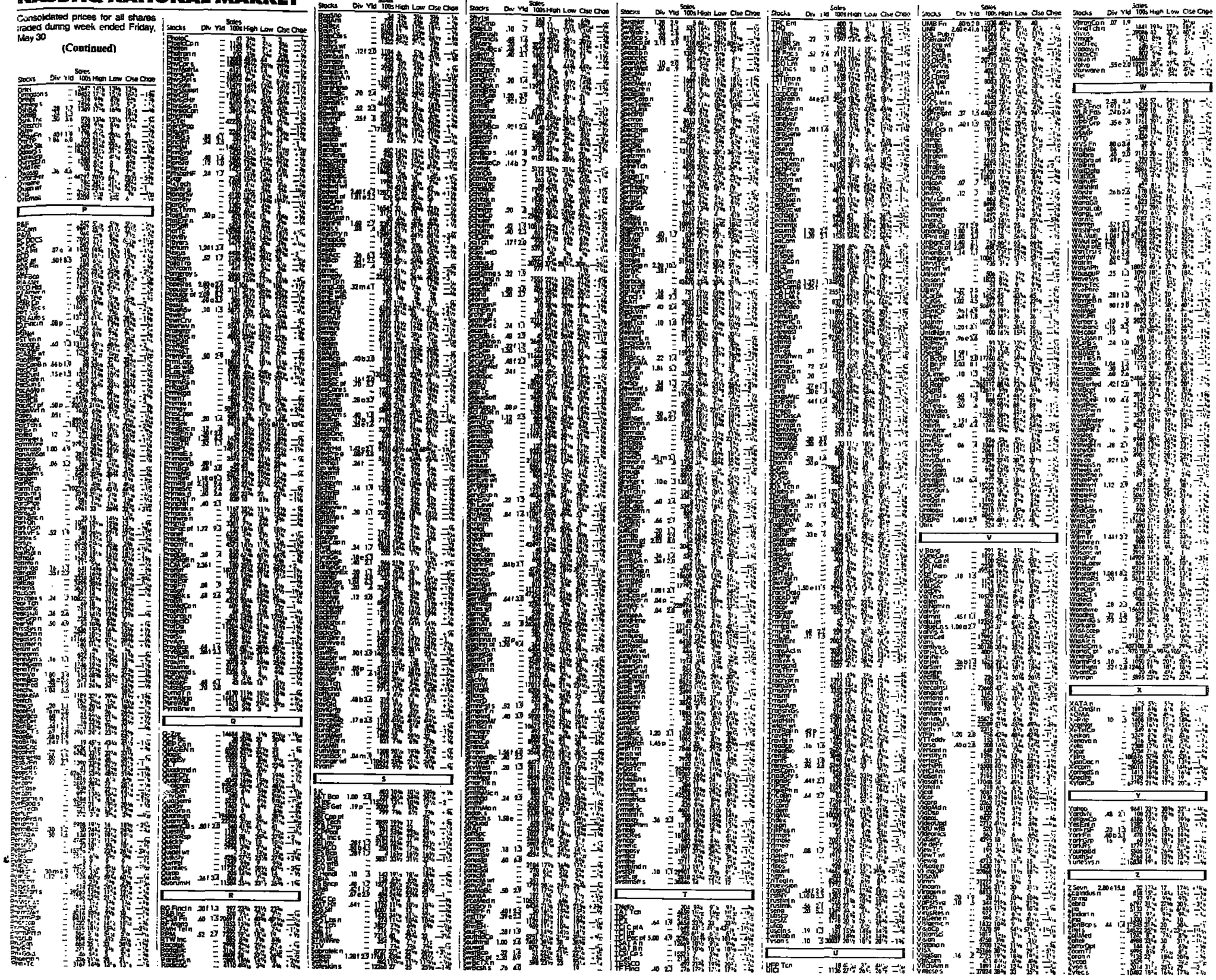
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, May 30

(Continued)



DENNIS THE MENACE



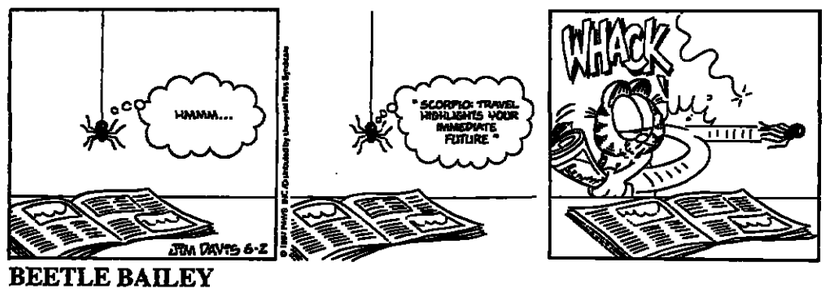
PEANUTS



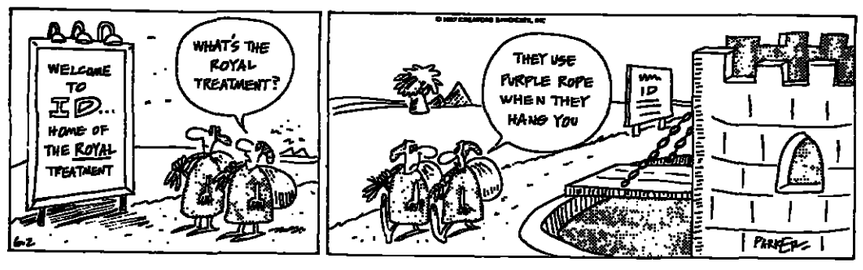
CALVIN AND HOBBES



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THAT SCRAMBLED WORD GAME
by Henri Arnold and Mike Argirion

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Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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(Answers tomorrow)

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FRANCE	FF	520	210	60%
GERMANY	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
HONG KONG	HK$	676	284	57%
ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	33	58%

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Giro Stage To Italian; Gotti Leads

The Associated Press

BORGOMANERO, Italy — Alessandro Baronti emerged from a tight, three-man sprint Sunday to win the 15th stage of the Giro d'Italia while Ivan Gotti retained the leader's pink jersey he earned the day before.

Baronti, an Italian member of the Asics team, overtook two countrymen, Filippo Casagrande and Paolo Savoldelli, in the final 50 meters (160 feet).

Baronti completed the 173 kilometers from Verres to Borgomanero in 4 hours 29 minutes 23 seconds. The riders had to contend with steady rain and wind, and temperatures as low as 4 degrees Celsius (39 Fahrenheit).

Gotti, trying to become the first Italian in six years to win the Giro, and his chief rival, Pavel Tonkov, finished 50 seconds behind the first group. Gotti maintained his 51-second lead over the Russian, the 1996 champion, with seven stages left. Luc Leblanc is third, 3:02 behind.

Gotti, of the Saeco team, made a solo attack in the first Alpine stage on Saturday and wrested the pink jersey from Tonkov, who rides for Mapei.

On Sunday it was Tonkov who did the attacking, forcing Gotti to match his pace during the day's lone climb, on the Motarone mountain to a peak of 1,399 meters above sea level.

Gotti entered Saturday's stage in third place overall.



Alex Trovati/The Associated Press

Alessandro Baronti winning the three-man sprint Sunday in the Giro's 15th stage.

French Bury Romania in Rugby

Compiled by Our Staff From Dispatches

France ran in nine tries in a resounding 51-20 victory over Romania in Bucharest on Sunday.

Wingers David Venditti and Philippe Bernat-Salles and second-half substitute Sebastian Viars each scored two tries in a one-sided victory over a Romanian team that has waned as a rugby force in the past decade. Romania scored four victories in five home games against the French between 1974 and 1982 but has done little since.

France flies to Australia for a more demanding series of games later this week.

England 46, Argentina 20 England overwhelmed Argentina in the first test in Buenos Aires, taking the game out of the Pumas' reach after half time with 15 minutes of exhilarating play.

British Lions 38, Western Province 21 Tim Stimpson, the English fullback, steered the British Lions to a third successive victory on their South African tour with a near faultless kicking display in Cape Town on Saturday. Stimpson was successful with seven out of eight kicks for a total of 18 points as the Lions again came from behind in the second half to secure victory.

Auckland 23, Australian Capital Territory 7 The Auckland Blues won the Super 12 trophy in Auckland on Saturday with a comprehensive victory over Canberra's ACT Brumbies.

Craig Dowd and Michael Jones scored tries for Auckland. Joe Roff replied for ACT. The Super 12 is a tournament for the top provincial and state teams in Australia, New Zealand and South Africa.

Toulouse 12, Bourgoin 6 Toulouse claimed the French championship title for a fourth successive year after beating Bourgoin in a scrappy final at Parc des Princes in Paris. *(Reuters, AP, AFP)*

Ajax Says Farewell to 3 Favorites

Compiled by Our Staff From Dispatches

Ajax Amsterdam said farewell Sunday to three more stalwarts of its great team — Louis van Gaal, Patrick Kluivert and Winston Bogarde, who are all heading abroad. They received an emotional farewell in Amsterdam at the club's last Dutch League match of the season.

Kluivert, a striker, and Bogarde, a defender, are following the well-trodden path from Ajax Amsterdam to AC Milan, in the footsteps of Edgar Davids, Michael Reiziger, Marco van Basten and Frank Rijkaard.

SOCCER ROUNDUP

Van Gaal, the Ajax manager, has not said where he will be next season.

Kluivert, who is recovering from knee surgery, did not play in the 4-0 victory Sunday over Vitesse Arnhem.

Ajax organized a postgame party for the departing stars, but the players started the festivities early with the spirited victory in front of a sell-out crowd of 51,000 at Amsterdam Arena.

"Louis, Louis, Louis," rang out around the stadium after the match.

Enigmatic to the last, Van Gaal still has not revealed which team he will coach next season. He will continue to coach Ajax in a series of friendly matches in South America later this month. He has been linked with Barcelona. But Barcelona's recent successes may persuade the club to stick with Bobby Robson.

Van Gaal took over as "technical director" at Ajax in September 1991. Since then the team has won three league titles, the Dutch Cup once, the UEFA Cup, the European Super Cup, the World Club Cup and the crowning glory — the Champions Cup — in 1995.

Dani, a young Portuguese star, scored twice for Ajax.

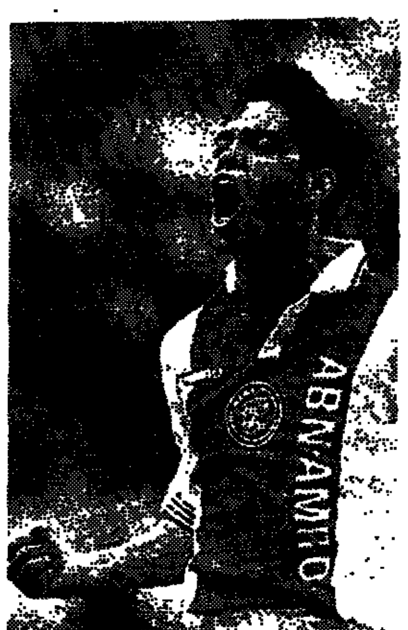
The two Dutch teams that will enter the Champions League next season ended the season with lackluster performances.

With all the top rankings decided, the Dutch champion, PSV Eindhoven, surrendered, 3-1, at Roda JC Kerkrade in its last league game and the runner-up, Feyenoord, was rolled over, 2-1, by FC Utrecht.

Ajax, Vitesse and FC Twente will play in next season's UEFA Cup.

BELGIUM Ekeren overcame a two-goal deficit to beat Anderlecht, 4-2, Sunday after extra time and win the Belgian Cup. It was only the third defeat in 11 cup final appearances for Anderlecht, who last lost in 1977 when Ekeren was still playing in one of the nation's lower regional divisions. Ekeren had lost two previous finals, in 1990 and 1995.

Tomasz Radzinski, a Canadian international player, and Gunther Hofmans scored the decisive goals in the first five minutes of extra time after Ekeren had fought back to snatch a 2-2 draw in regulation time.



AP

Dani celebrating one of his goals for Ajax Amsterdam on Sunday.

Anderlecht's Ukrainian striker Oleg Yaschuk opened the scoring in the 31st minute with a glancing header. Anderlecht went ahead, 2-0, in the 55th minute when the Ghanaian defender Samuel Johnson beat the goalkeeper, Philippe Vande Walle, with a low shot.

Johnson turned villain nine minutes later with a stunning, diving header into his own net. Ekeren winger Christophe Kinet evened the score in the 85th minute when he pounced on a rebound after Johnson had cleared it off the goal line.

GERMANY Karlsruhe claimed a place in next season's UEFA Cup after a 1-1 tie with Freiburg on the last day of the Bundesliga season. The tie Saturday lifted Karlsruhe into sixth place ahead of 1860 Munich, which lost, 3-0, at Werder Bremen. Michael Tarnat, playing his last game for Karlsruhe before his move to Bayern, gave his team the lead with a header in the 15th minute.

Munich 1860 must now hope that VfB Stuttgart, which finished in fourth place, beats the regional league team Energie Cottbus in the German Cup final in two weeks. A victory for Stuttgart would send it into the European Cup Winners' Cup, freeing up a UEFA Cup place for 1860.

WORLD CUP Li Jinyu, a substitute, scored with eight minutes to play Sunday to give China a 1-0 victory over Turkmenistan in Group 8 of World Cup qualifying games. The Chinese dominated the game and had 18 attempts on goal.

In another Group 8 game, Tajikistan rolled to an easy victory against a struggling Vietnam in Ho Chi Minh City.

In Group 5, Oleg Shatskikh scored in the 75th minute to earn Uzbekistan a 1-1 draw with Indonesia in Jakarta.

• England beat Poland, 2-0, in a tough, uncompromising World Cup qualifier Saturday to guarantee itself at least the runner-up spot from European Group 2 The result means Poland cannot reach the finals in France next year.

Alan Shearer scored after five minutes after a breakaway. Shearer missed a penalty at the end of the first half. Teddy Sheringham scored the second goal in the final minute. *(AP, AFP, Reuters)*

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	36	15	.706	—
New York	29	25	.537	8½
Toronto	26	25	.510	10
Detroit	25	27	.481	11½
Boston	22	29	.431	14
CENTRAL DIVISION				
Cleveland	27	24	.529	—
Milwaukee	25	25	.500	1½
Chicago	23	28	.451	4
Kansas City	23	28	.451	4
Minnesota	23	31	.426	5½
WEST DIVISION				
Texas	29	23	.558	—
Anaheim	28	24	.538	1
Seattle	27	27	.500	3
Oakland	22	34	.393	9

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	36	17	.679	—
Florida	31	21	.596	4½
New York	30	23	.566	6
Montreal	28	24	.538	7½
Philadelphia	19	34	.358	17
CENTRAL DIVISION				
Pittsburgh	26	27	.491	—
Houston	26	28	.481	½
St. Louis	24	28	.462	1½
Chicago	21	32	.396	5
Cincinnati	20	34	.370	6½
WEST DIVISION				
San Francisco	31	21	.596	—
Colorado	29	24	.547	2½
Los Angeles	26	26	.500	5
San Diego	22	30	.423	9

FRIDAY'S LINE SCORES

AMERICAN LEAGUE

Cleveland 000 000 000—0 1 2
Baltimore 101 001 00x—3 9 0
Nagy, Assenmacher (8) and S. Alomar; Mussina and Holles. W—Mussina 7-1. L—Nagy 6-3.

New York 000 000 400—4 9 2
Boston 011 610 01x—10 17 0
Mendoza, Rios (4), Mecir (6), Lloyd (8) and Posada; Hammond, Lacy (7) and Hatteberg. W—Hammond, 3-3. L—Mendoza, 3-2. HRs—Boston, Cordero (8), M. Vaughn 3 (14), O Leary (5), Hatteberg (3).

Chicago 000 000 000—0 3 0
Milwaukee 000 000 14x—5 6 0
Baldwin and Fabregas; Eldred and Matheny. W—Eldred, 5-5. L—Baldwin, 2-7. HR—Milwaukee, Cirillo (2).

Kansas City 030 000 000—3 9 1
Texas 100 100 000—2 9 0
Rusch, R. Veres (8), Pichardo (9) and Macfarlane; Witt and H.Mercedes. W—Rusch, 3-2. L—Witt, 7-2. Sv—Pichardo (8). HRs—Kansas City, Damon (4). Texas, W.Clark (7).

Minnesota 100 020 100—4 7 0
Anaheim 010 110 000—3 12 1
Tewksbury, Swindell (8), Aguilera (9) and G. Myers; Dickson, P.Harris (8) and Leyritz. W—Tewksbury, 2-5. L—Dickson, 6-2. Sv—Aguilera (11). HRs—Anaheim, E. Murray (3).

Detroit 000 102 011—5 10 0
Seattle 100 100 000—2 6 0
Lira, Miceli (7), M. Myers (8), To.Jones (9) and Casanova; Fassero, Charlton (8), B.Wells (9) and D. Wilson. W—Lira, 4-2. L—Fassero, 4-2. Sv—To.Jones (4). HRs—Seattle, Griffey (24).

Toronto 000 100 123—7 12 1
Oakland 000 213 15x—12 14 2
Hentgen, Crabtree (7), Quantrill (8) and Santiago; Prieto, A.Small (8), Mohler (9), Taylor (9) and G. Williams. W—Prieto, 4-3. L—Hentgen, 5-2. HRs—Toronto, Marcad (6), Carter (6). Oakland, Canseco (11), Stairs (6).

NATIONAL LEAGUE

Cincinnati 020 101 100—5 15 0
Chicago 000 000 100—1 5 0
Schourek, Sullivan (8) and Taubensee; F.Castillo, R.Tatis (5), Battenfield (8) and Servais. W—Schourek, 4-4. L—F. Castillo, 2-7. HRs—Cincinnati, Larkin (2). Chicago, Dunston (2).

Montreal 000 020 000—2 4 2
Pittsburgh 320 021 02x—10 13 0
Juden, M. Valdes (2), Daal (5), D. Veres (6), Urbina (8), L.Smith (8) and Widger; Schmidt, Wainhouse (5), Peters (5), M.Wilkins (7), Ruebel (8) and Kendall. W—Peters, 2-0. L—Juden, 5-1. HRs—Pittsburgh, M.Cummings (3), K. Young (4).

Philadelphia 000 101 001—3 8 0
New York 100 120 20x—7 9 1
E.Ramos, Maduro (6), Ryan (7), R. Harris (8) and Lieberthal; Mlicki, Kashiwada (7), Lidle (8) and Hundley. W—Mlicki, 1-4. L—E. Ramos, 0-2. HRs—Philadelphia, Rolen (6). N.Y., Everett (4), Hundley (12), Huskey (9).

San Diego 002 520 000—9 13 0
Houston 000 100 010—2 6 1
Cunnane, T. Worrell (7) and Flaherty; Holt, R. Garcia (4), Lima (6), Hudek (9) and Ausmus. W—Cunnane, 3-1. L—Holt, 5-4. Sv—T. Worrell (1). HRs—San Diego, S. Finley (5).

Colorado 010 002 000 000—3 5 1
Florida 000 000 021 001—4 10 0
(12 innings) R.Bailey, Leskanic (8), S.Reed (9), DeJean (10), Dipoto (12) and Manwaring; Rapp, Stanifer (9), Powell (10), Hutton (12) and C.Johnson, Zaun (9). W—Hutton, 3-1. L—Dipoto, 1-1. HRs—Colorado, Galarraga (13). Florida, Conine (6).

San Francisco 000 002 000—2 6 0
Atlanta 000 200 001—3 9 1
Foulke, Poole (5) and R.Wilkins, Jensen (5); Glavine, Embree (8), Bielecki (8), Wohlers (9) and J. Lopez, E. Perez (4). W—Wohlers, 2-0. L—D. Henry, 2-1. HR—Atlanta, Klesko (8).

Los Angeles 000 001 000—1 7 0
St. Louis 000 010 001—2 6 0
R.Martinez and Piazza; An.Benes, T. Mathews (9) and Difelice. W—T. Mathews, 2-2. L—Hall, 0-2.

SATURDAY'S LINE SCORES

AMERICAN LEAGUE

New York 001 012 120—7 9 0
Boston 000 000 020—2 7 0
Pettitte, Nelson (8) and Girardi; Wakefield, Garces (8) and Haselman. W—Pettitte, 7-3. L—Wakefield, 1-4. HRs—New York, O'Neill 2 (10).

Cleveland 400 100 000—5 10 0
Baltimore 012 101 30x—8 13 2
Hershiser, Mesa (6), Shuey (7), Morman (8) and Borders; Mi.Johnson, Boskie (4), Orosco (8), A. Benitez (8), Ra.Myers (9) and Webster. W—Boskie, 3-2. L—Mesa, 0-3. Sv—Ra.Myers (17). HRs—Cleveland, Justice (16), Ramirez (8), Borders (3). Baltimore, C.Ripken (9), Hammonds (5), Tarasco (2), Bordick (2).

Toronto 000 800 320—13 19 0
Oakland 100 010 001—3 11 2
Clemens, Timlin (9) and O'Brien; Telgheder, C. Reyes (4), Dn.Johnson (8) and Mayne. W—Clemens, 10-0. L—Telgheder, 1-3. HRs—Toronto, Carter (7), Sprague (10), A. Gonzalez (4).

Chicago 100 010 001—3 10 1
Milwaukee 100 010 11x—4 6 1
Navarro, Simas (7), T.Castillo (8) and Fabregas; McDonald, Wickman (8), Do.Jones (9) and Matheny. W—McDonald, 6-3. L—Navarro, 4-4. Sv—Do.Jones (12). HRs—Milwaukee, Burnitz 2 (6).

Kansas City 000 100 000—1 7 0
Texas 102 000 00x—3 8 1
Appier, Casian (8), Mk.Williams (8) and Macfarlane; Santana, X.Hernandez (7), Wetteland (9) and I. Rodriguez. W—Santana, 3-2. L—Appier, 4-4. Sv—Wetteland (12). HRs—Texas, I. Rodriguez (5), Greer (6).

Detroit 300 100 000—4 10 0
Seattle 000 020 000—2 7 1
Olivares, M. Myers (7), Miceli (8), To.Jones (9) and Casanova; Wolcott, Ayala (9) and Marzano. W—Olivares, 4-3. L—Wolcott, 2-3. Sv—To.Jones (5).

Anaheim 3, Minnesota 3
Linescores unavailable.

NATIONAL LEAGUE

Colorado 102 401 000—8 11 0
Florida 000 110 200—4 13 3
Ritz, McCurry (7), Leskanic (8), Holmes (9), DeJean (9) and Je.Reed; K.J.Brown, F.Heredia (6), Cook (7), Nen (9) and Zaun. W—Ritz, 5-4. L—K.J.Brown, 5-3. Sv—DeJean (1). HR—Colorado, Galarraga (14).

Cincinnati 000 110 020—4 7 1
Chicago 000 421 00x—7 11 0
Morgan, Carrasco (5), Sullivan (7) and Taubensee, J.Oliver (8); Foster, Patterson (8), Rojas (8) and Houston. W—Foster, 7-3. L—Morgan, 2-5. Sv—Rojas (5). HRs—Cincinnati, Larkin (3).

Los Angeles 020 000 001—3 6 4
St. Louis 001 104 00x—6 11 0
I.Valdes, Osuna (6), To.Worrell (8) and Piazza; Stottlemyre, Eckersley (9) and Lampkin. W—Stottlemyre, 4-3. L—I. Valdes, 3-6. Sv—Eckersley (11). HRs—Los Angeles, Anthony (2), Hollandsworth (2). St. Louis, Mabry (2).

San Diego 440 100 003—12 16 0
Houston 101 010 020—5 10 1
Hitchcock, Bochtler (8), P.Smith (8) and Flaherty; Reynolds, R.Garcia (2), Magnante (6), R. Springer (8), B. Wagner (9) and Ausmus. W—Hitchcock, 5-5. L—Reynolds, 4-5. Sv—P. Smith (1). HRs—Houst. Bagwell (17).

Philadelphia 000 002 001—3 10 1
New York 202 000 24x—10 16 0
M.Leiter, Plantenberg (6), R.Harris (7), Ryan (8) and Lieberthal; Reynoso, McMichael (8), Jo.Franco (9) and Hundley. W—Reynoso, 4-0. L—M. Leiter, 4-6. HRs—Philadelphia, Daulton (6).

Montreal 200 200 000—4 7 0
Pittsburgh 010 001 000—2 6 0
Hermanson, Telford (8), Urbina (9) and Fletcher; Loaiza, Sodowsky (8), Rincon (9) and Kendall. W—Hermanson, 2-3. L—Loaiza, 4-2. Sv—Urbina (8). HRs—Montreal, R. White (9), Fletcher (9). Pittsburgh, Kendall (2).

San Francisco 6, Atlanta 4
Linescores unavailable.

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	27	19	0	.587	—
Hiroshima	24	20	0	.545	2
Chunichi	23	22	0	.511	3½
Hanshin	23	23	0	.500	4
Yokohama	19	23	0	.452	6
Yomiuri	18	27	0	.400	8½

SATURDAY'S RESULTS

Hanshin 9, Yomiuri 4
Yakult 13, Chunichi 2
Hiroshima 7, Yokohama 3

SUNDAY'S RESULTS

Chunichi 4, Yakult 2
Hanshin 4, Yomiuri 1
Hiroshima 5, Yokohama 4

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	27	18	0	.600	—
Orix	21	18	0	.538	3
Daiei	24	23	0	.511	4
Nippon Ham	22	24	0	.478	5½
Lotte	20	23	1	.465	6
Kintetsu	18	26	1	.409	8½

SATURDAY'S RESULTS

Orix 7, Kintetsu 2
Nippon Ham 3, Lotte 2
Daiei 6, Seibu 2

SUNDAY'S RESULTS

Daiei 7, Seibu 6
Orix 2, Kintetsu 1, 11 innings
Lotte 7, Nippon Ham 2

ICE HOCKEY

STANLEY CUP FINALS

(BEST-OF-SEVEN)
SATURDAY'S RESULT

Detroit 2 1 1—4
Philadelphia 1 1 0—2

First Period: D-Maltby 4 (Draper) (sh). 2, P-Brind'Amour 11 (Lindros, Niinimaa) (pp). 3, D-Kocur 1. Penalties—Sandstrom, Det (high-sticking); Fetisov, Det (interference); Klatt, Phi (interference); Kocur, Det (interference) Second Period: D-Fedorov 6 (Murphy, McCarty) 5, P-LeClair 8 (Renberg, Lindros) Penalties—Lacroix, Phi (interference); Fedorov, Det (tripping); Fetisov, Det (interference); Klatt, Phi (charging) Third Period: D-Yzerman 5 (Murphy). Penalties—Svoboda, Phi (cross-checking); Lindros, Phi (roughing) Shots on goal: D- 8-12-10—30. P- 10-9-9—28. Power-play Opportunities—D- 0 of 5; P- 1 of 5. Goalies: D-Vernon 13-4 (28 shots-26 saves). P-, Hextall 4-1 (30-26).

CRICKET

AUSTRALIA TOUR
3-DAY TOUR MATCH, 2ND DAY
DERBYSHIRE VS. AUSTRALIA
SUNDAY, IN DERBY, ENGLAND

Australia: 362-6 declared and 148-2
Derbyshire: 257-9 declared.

CYCLING

GIRO D'ITALIA

Leading placings in 240-km 14th stage of the Giro d'Italia from Racconigi to Breuil Cervinia:

1. Gotti, It., Saeco 7 h. 6 m. 32 s.; 2. Miceli, It., AKI at 39 s.; 3. Garzelli, It., Mercatone Uno 1:20; 4. Gonzalez, Colombia, Kelme 1:46; 5. Tonkov, Rus. Mapei 6. Piepoli, It., Ceramiche Refin; 7. Shefer, Kazak. Asics all s.t.; 8. Mercx, Belg. Polti 1:50; 9. Daniele de Paoli, It., Ros Mary 3:12; 10. Guerini, It., Polti 3:14.

Leading placings in 173-km 15th stage of the Giro d'Italia from Verres to Borgomanero:

1. Alessandro Baronti, It., Asics 4 h. 29 m. 23 s.; 2. Filippo Casagrande, It., Scrigno; 3. Paolo Savoldelli, It., Roslotto both s.t.; 4. Riccardo Forconi, It., Amore and Vita at 3 s.; 5. Andrea Noe', It., Asics at 50 s.; 6. Paolo Bettini, It., Magilficio MG; 7. Giuseppe di Grande, It., Mapei; 8. Daniele de Paoli, It., Ros Mary; 9. Wladimir Belli, It., Brescialat; 10. Luc Leblanc, Fr., Polti all s.t.

OVERALL: 1. Gotti 70 h. 24 m. 51 s.; 2. Tonkov at 51 s.; 3. Leblanc 3:02; 4. Shefer 3:40; 5. Miceli 4:07; 6. Guerini 6:17; 7. Di Grande 7:56; 8. Belli 8:17; 9. Merckx 9:42; 10. Gontchar, Ukraine, AKI 10:26.

GOLF

MITSUBISHI GALANT

Leading final scores Sunday in $1.03 million Mitsubishi Galant golf tournament on the 7,012-yard (6,381-meter), par-72 Taiheiyo Country Rokko Club course at Miki (all from Japan):

M. "Jumbo" Ozaki	70-70-70-68—278
Satoshi Higashi	73-69-67-71—280
Toru Nakamura	74-65-69-72—280
Koki Idoki	73-65-70-72—280
Yoshinori Kaneko	72-70-72-67—281
Seiki Okuda	72-70-70-69—281
K. Miyamoto	73-72-67-69—281
Eiji Mizoguchi	70-69-72-70—281
"Tommy" Nakajima	70-71-72-69—282
Yoshinori Mizumaki	70-73-69-70—282
Ikuo Shirahama	68-73-71-70—282

DEUTSCHE BANK OPEN

Leading scores Sunday from $1.25 million Deutsch Bank Open held at the par-72 7,029 yard Gut Kaden Golf course in Alveslohe, Germany:

Ross McFarlane, Eng.	70-73-68-71—282
A. Forsbrand, Swe.	73-68-69-73—283
G. Brand Jr., Scot.	72-72-67-72—283
Darren Clarke, N. Irl.	74-72-68-70—284
Roger Wessels, S. Af.	70-75-70-70—285
Paul McGinley, Irl.	72-73-66-74—285
R. Russell, Scot.	72-72-70-71—285
M. A. Martin, Sp.	69-71-76-69—285
Adam Hunter, Scot.	73-72-68-73—286
Scott Henderson, Scot.	73-70-71-72—286
Peter Mitchell, Engl.	71-72-69-74—286
Thomas Bjorn, Den.	72-72-66-76—286
Robert Allenby, Austl.	76-70-70-70—286
Howard Clark, Eng.	73-69-68-76—286
David Carter, Engl.	70-75-70-71—286
Ben Tinning, Den.	72-70-71-73—286
K. Tomori, Jap.	73-70-72-71—286

RUGBY UNION

SUPER 12 FINAL
SATURDAY, IN AUCKLAND, NEW ZEALAND
Auckland 23, Canberra's ACT 7

BRITISH LIONS TOUR
SATURDAY, IN CAPE TOWN
Western Province 21, British Lions 38

ENGLAND TOUR
SATURDAY, IN BUENOS AIRES
Argentina 20, England 46

FRENCH CHAMPIONSHIP FINAL
SATURDAY, IN PARIS
Toulouse 12, Bourgoin 6

SOCCER

WORLD CUP QUALIFIERS

ASIAN ZONE, GROUP 5
Indonesia 1, Uzbekistan 1
STANDINGS: Uzbekistan 7 points; Yemen 7; Indonesia 6; Cambodia 1.

ASIAN ZONE, GROUP 6
South Korea 0, Thailand 0
FINAL STANDINGS: South Korea 10 points; Thailand 4; Hong Kong 3.
South Korea qualify for second round.

ASIAN ZONE, GROUP 8
Vietnam 0, Tajikistan 4
China 1, Turkmenistan 0
STANDINGS: China 12 points; Tajikistan 9 points; Turkmenistan 3; Vietnam 0.
Playing later: China v Turkmenistan.

OCEANIA ZONE
2ND ROUND, GROUP 2
Papua New Guinea 1, New Zealand 0
STANDINGS: Papua New Guinea 3 points; Fiji 0; New Zealand 0.

EUROPEAN ZONE, GROUP 2
Poland 0, England 2
STANDINGS: Italy 16 points; England 12; Poland 4; Georgia 0; Moldova 0.

AFRICAN CUP OF NATIONS
GROUP 3
Morocco 4, Ethiopia 0
STANDINGS: Morocco 5 points, Senegal 5; Egypt 3; Ethiopia 1.

INTERNATIONAL FRIENDLIES
Norway 4, Brazil 2
Malta 2, Scotland 3

U.S. WOMEN CUP
United States 4, Canada 0
STANDINGS: United States 3 points; Australia 0; Italy 0; Canada 0.

GERMAN BUNDESLIGA
Bayer Leverkusen 2, VfL Bochum 0
Fortuna Duesseldorf 1, Hamburger SV 1
1860 Munich 0, Werder Bremen 3
SC Freiburg 1, Karlsruher SC 1
Hansa Rostock 0, Schalke 1
VfB Stuttgart 4, Arminia Bielefeld 2
Bor. Moenchengladbach 2, Bayern Munich 2
FC St. Pauli 0, MSV Duisburg 2
Borussia Dortmund 2, FC Cologne 1
FINAL STANDINGS: Bayern Munich 71 points, Bayer Leverkusen 69; Borussia Dortmund 63; VfB Stuttgart 61; VfL Bochum 53; Karlsruher SC 49; 1860 Munich 49; Werder Bremen 48; MSV Duisburg 45; FC Cologne 44; Moenchengladbach 43; Schalke 43; Hamburger SV 41; Arminia Bielefeld 40; Hansa Rostock 40; Fortuna Duesseldorf 33; SC Freiburg 29; FC St. Pauli 27.

ITALIAN FIRST DIVISION
Bologna 2, Inter 2
Juventus 2, Lazio 2
Milan 0, Cagliari 1
Napoli 1, Vicenza 0
Piacenza 2, Perugia 1
Reggiano 0, Atalanta 3
Roma 0, Udinese 3
Sampdoria 1, Fiorentina 1
Verona 1, Parma 2
FINAL STANDINGS: Juventus 65 points; Parma 63; Inter 59; Lazio 55; Udinese 54; Sampdoria 53; Bologna 49; Vicenza 47; Fiorentina 45; Atalanta 44; Milan 43; Roma 41; Napoli 41; Cagliari 37; Piacenza 37; Perugia 37; Verona 27; Reggiana 19.

DUTCH FIRST DIVISION
NEC Nijmegen 2 Graafschap 1
Willem II Tilburg 0, FC Volendam 0
SC Heerenveen 1, FC Groningen 3
AZ Alkmaar 1, FC Twente 2
NAC Breda 1, Fortuna Sittard 1
Roda JC Kerkrade 3, PSV Eindhoven 1
Ajax Amsterdam 4, Vitesse Arnhem 0
Sparta Rotterdam 1, RKC Waalwijk 3
FC Utrecht 2, Feyenoord Rotterdam 1
FINAL STANDINGS: PSV Eindhoven 77 points; Feyenoord 73; FC Twente 65; Ajax 61; Vitesse 55; Roda JC 55; Heerenveen 50; De Graafschap 45; NAC Breda 40; FC Groningen 39; Fortuna Sittard 39; FC Utrecht 38; Sparta 38; FC Volendam 38; Willem II Tilburg 35; RKC Waalwijk 34; NEC Nijmegen 32; AZ Alkmaar 25.

SPANISH FIRST DIVISION
Real Betis 0 Sporting Gijon 1
Rayo Vallecano 3 Valencia 1

YUGOSLAV FIRST DIVISION
Hajduk 3 Borac 0
Buducnost (P) 2 Zemun 1
Proleter 1 Mladost (L) 0
Becej 3 Vojvodina 2
Cukaricki 4 Red Star 1
Rad 1 Partizan 0
FINAL STANDINGS: Partizan 84 points; Red Star 78; Vojvodina 53; Hajduk 44; Proleter 42; Zemun 41; Cukaricki 41; Mladost (L) 41; Rad 40; Buducnost (P) 39; Becej 38; Borac 14.

CROATIAN PREMIER
Hr. Dragovoljac 5, Segesta 1
Cibalia 1, Zadarkomerc 2
Mladost 127 3, Inker 2
Marsonia 1, Sibenik 2
Varteks 2, Osijek 1
Croatia 3, Orijent 2
Hajduk 2, Istra 3
Rijeka 3, Zagreb 0
FINAL STANDINGS: Croatia 81 points; Hajduk 60; Hr. dragovoljac 49; Rijeka 46; Zagreb 45; Varteks 42; Sibenik 41; Osijek 41; Mladost 127 40; Zadarkomerc 40; Segesta 39; Marsonia 38; Cibalia 33; Orijent 26; Istra 25; Inker 21.

BULGARIAN FIRST DIVISION
Levski Sofia 0 Botev 1
Neftochimik 1 Slavia 1
Rakovski 1 Dobrudzha 7
Lokomotiv Plovdiv 2 Minyor 0
Etur 2 Levski Kyustendil 2
Spartak Varna 2 Maritsa 0
Montana 3 CSKA 1
Lokomotiv Sofia 1 Spartak Pleven 2
FINAL STANDINGS: CSKA 71 points; Neftochimik 67; Slavia 57; Levski Sofia 53; Botev 45; Minyor 44; Lokomotiv Sofia 43; Levski Kyustendil 42; Spartak Varna 42; Lokomotiv Plovdiv 41; Dobrudzha 39; Spartak Pleven 39; Etur 35; Maritsa 33; Montana 28; Rakovski 1.

BELGIAN CUP
Ekeren 4, Anderlecht 2
Ekeren won after extra time after 2-2 in 90 minutes.

LUXEMBOURG CUP
Jeunesse Esch 2, Union Luxembourg 0

MAJOR LEAGUE SOCCER
New England 3, New York-New Jersey 1
Kansas City 3, Los Angeles 1
STANDINGS: Eastern Conference: D.C. 20 points; New England 17; Columbus 14; Tampa Bay 13; NY-NJ 13. Western Conference: Kansas City 16; Dallas 15; Colorado 10; San Jose 8; Los Angeles 7.

TENNIS

FRENCH OPEN

FRIDAY'S MATCH
3RD ROUND
WOMEN'S SINGLES
Arendt, U.S. def. Novotna (4), Cz. 3-6, 6-4, 6-4.

SATURDAY'S MATCHES
3RD ROUND
WOMEN'S SINGLES
Seles (3), U.S., def. Tauziat, Fr., 6-0, 6-1.
Sanchez Vicario (6), Sp. def. Van Roost, Belg. 6-0, 6-3.
Pierce (10), Fr. def. Testud, Fr. 6-1, 6-3.
Fernandez (12), U.S. def. Perfetti, It. 6-3, 7-6 (7-4).
Hingis (1), Switz. def. Kournikova, Rus. 6-1, 6-3.
Zvereva, Bel. def. Schultz-McCarthy (14), Neth. 7-6 (7-2), 6-4.
Paulus (16), Austria, def. Farina, It. 6-4, 6-1.
Raymond, U.S., def. Po, U.S., 6-4, 2-6, 6-1.

MEN'S SINGLES
Chang (2), U.S., def. Simian, Fr. 6-1, 5-2, ret.
Bruguera (16), Sp. def. Norman, Belg. 6-3, 6-1, 6-3.
Korda, Cz. def. Ferreira (13), S. Af. walkover.
Rios (7), Ch. def. Boetsch, Fr. 7-6 (8-6), 6-3, 6-4.
Woodforde, Austl. def. Costa (11), Sp. 6-4, 7-6 (7-2), 6-3.
Rafter, Austl def. Krajicek (6), Neth. 6-3, 4-6, 6-4, 6-2.
Arazi, Mor. def. Larsson, Swe. 6-2, 6-3, 7-5.
Blanco, Sp. def. Woodruff, U.S., 7-6 (8-6), 6-3, 7-6 (7-2).

SUNDAY'S MATCHES
4TH ROUND
WOMEN'S SINGLES
Coetzer (11), S. Af. def. Martinez (7), Sp. 6-7 (4-7), 6-4, 6-3.
Dragomir, Rom. def. Arendt, U.S. 6-1, 6-1.
Graf (2), Ger. def. Spirlea (13), Rom. 6-7 (4-7), 6-2, 6-2.
Hingis (1), Swi. def. Paulus (16), Aus. 6-3, 0-6, 6-0.
Majoli (9), Cro. def. Davenport (5), U.S. 5-7, 6-4, 6-2.
Sanchez Vicario (6), Sp. def. Zvereva, Bel. 6-4, 6-2.
Seles (3), U.S. def. Pierce (10), Fr. 6-4, 7-5.
Fernandez (12), U.S. def. Raymond, U.S. 6-7 (4-7), 6-2, 6-2.

MEN'S SINGLES
Dewulf, Belg. def. Corretja (8), Sp. 5-7, 6-1, 6-4, 7-5.
Norman, Swe. def. Rosset (15), Switz. 4-6, 6-3, 7-6 (7-3), 6-3.
Kafelnikov (3), Rus. def. Philippoussis, Austl. 6-2, 6-3, 7-6.

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

BALTIMORE—Put OF Eric Davis on 15-day disabled list retroactive to May 26. Transferred OF Jerome Walton from 15- to the 60-day disabled list. Bought contract of OF Dave Dellucci from Bowie, EL.

MILWAUKEE—Put OF Marc Newfield on 15-day disabled list. Recalled INF Antone Williamson from Tucson, PCL.

NEW YORK—Designated RHP Julian Vasquez for assignment. Optioned RHP Hideki Irabu to Tampa, FSL and INF Homer Bush to Columbus, IL.

SEATTLE—Bought contract of OF Jose Cruz Jr. from Tacoma, PCL.

NATIONAL LEAGUE

FLORIDA—Activated CF Devon White from 15-day disabled list. Designated INF-OF John Wehner for assignment.

HOUSTON—Put LHP Tom Martin on 15-day disabled list. Bought contract of LHP Mike Magnante from New Orleans, AA.

SAN DIEGO—Put OF Ruben Rivera on 60-day disabled list.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

ARIZONA—Signed OT Joe Wolf to 1-year contract.

GREEN BAY—Signed WR-KR Qadry Ismail to 1-year contract.

SAN DIEGO—Signed T Tony Berti to 3-year contract.

HOCKEY
NATIONAL HOCKEY LEAGUE

ANAHEIM—Signed D Marc Moro to 3-year entry level contract.

COLORADO—Traded the rights to G Brent Johnson to St. Louis for Blues' third-round pick in 1997 entry draft and conditional third-round pick in the 2000 entry draft.

MONTREAL—Fired Yvon Cournoyer, Steve Shutt and Jacques Laperriere, assistant coaches.

TORONTO—Named Ken Dryden president.

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Memorable Moments from Johnnie Walker: RYDER CUP *with Bernard Gallacher*



1979 - TREVINO IN A CASE OF MISTAKEN IDENTITY.
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1 to 3 Favorites





Joe Giza/Reuters

Philadelphia's goaltender, Ron Hextall, hitting the ice while the puck, shot by Detroit's Kirk Maltby, hits the net.

Red Wings Off to Flying Start

Flyers Fall, 4-2, in Opener of Stanley Cup Finals

By Helene Elliott
Los Angeles Times

PHILADELPHIA — Just 10 years ago the Philadelphia Flyers' goaltender, Ron Hextall, gave one of the most valiant performances of his career, losing the decisive game of the Stanley Cup finals but affirming his worthiness as the Most Valuable Player in the playoffs.

Back in the finals after a decadelong wait, Hextall was the most vulnerable player in the Detroit Red Wings' 4-2 victory in the series opener.

Deserted by his teammates after their turnovers led to half a dozen outnumbered rushes for the Red Wings, Hextall gave up goals to Kirk Maltby and Joe Kocur on Detroit's first five shots Saturday.

And after the Flyers cut their deficit to 3-2 with 2:49 left in the second period — on a shot by John LeClair that skipped between Mike Vernon's legs — Hextall gave up a 60-foot (18-meter) goal by Steve Yzerman 56 seconds into the third period that quieted the crowd of 20,291.

"That last goal is a play that we have to have," the Flyers' coach, Terry Murray, said. "We've got to have those stops."

Because the Flyers didn't get those big stops, the Red Wings got off to a good start. They've already won one more game than in their previous appearance in the finals, in 1995, when they had the National Hockey League's best regular-season record but were swept by the New Jersey Devils.

They also now have history on their side: since the best-of-seven format was inaugurated in 1939, 46 of 58 teams that won Game 1 have won the Cup.

"It's O.K., I suppose," Yzerman said of Detroit's victory. "It was a decent start but we're just getting started. I think our play has definitely gotten stronger as the playoffs have gone on. The guys have gotten into it more and the whole team is playing well."

Murray said: "That's as poor as we've played in a month and a half. We didn't let our instincts flow. We made cross-ice passes we normally don't make and turned it over too much."

That was especially true in the first period. Maltby and Kris Draper capitalized on a turnover by Eric Lindros in the neutral zone to create Detroit's first goal, at 6:38. Maltby lifted the puck over Hextall for the score. The Flyers tied the game at 7:37 when Rod Brind'Amour batted in the rebound of a shot by Lindros, but the Red Wings jumped on another mistake by the Flyers to take a 2-1 lead.

Kjell Samuelsson made a perfect pass to Kocur in the Flyers' zone to set up that chance, giving Kocur a free shot that even the ham-handed defenseman couldn't miss.

"You can't do plays like that in the first exhibition game," Samuelsson said. "You can't do plays like that in the summer league."

Maybe that's how Kocur was able to anticipate it, because he was playing in a recreational league in the Detroit suburbs when the Red Wings signed him in December. His reaction when the red light went on, he said, was more shock than elation.

Another two-on-one break, this one begun when Sergei Fedorov beat Lindros on a faceoff in the Detroit zone, led to the Red Wings' third goal.

Larry Murphy, acquired by the Red Wings shortly before the trading deadline, sent the puck around the boards and caught up with it as players jostled for possession.

When the puck popped loose, he managed to chip it up to Fedorov and chugged up the ice beside the speedy center, who rifled the puck past Hextall at 11:41 of the second period.

The Flyers tested Vernon several times before LeClair took a cross-ice pass from Mikael Renberg and flicked the puck between Vernon's pads at 17:11, gaining confidence as they went into the locker room for the second intermission.

"We had some good things going. We had some momentum there," Murray said. "Then we gave up a real soft goal."

That goal was by Yzerman, a stoppable goal that wasn't stopped.

"I offer no excuses," Hextall said. "I didn't see it at all but it was far enough out that I should have stopped it. They're a darn good team.

"It was a combination of us not playing as well as we can and them playing well," Hextall said. "We've got to play a lot better."

The Red Wings, meanwhile, remained calm. Asked if he had a sense that his team was on a roll after winning for the 11th time in 13 playoff games, Detroit's coach, Scotty Bowman, shook his head negatively.

"I'll get more of a sense," he said, "if we win three more games."

Tape-Measure Slam Sinks Marlins

Rockies' Galarraga Leaves His Mark in Florida's Upper Deck

The Associated Press

Andres Galarraga hit a 529-foot grand slam in the Colorado Rockies' 8-4 victory over the Florida Marlins, then was ejected four innings later for charging the mound after being hit by a pitch.

Galarraga's slam against Kevin Brown was the longest home run ever at the Marlins' stadium in Miami, the longest in Rockies history and the longest this season in the major leagues.

Mickey Mantle is generally credited with hitting the longest home run ever, a 565-foot (172-meter) drive in 1953 off Washington's Chuck Stobbs at Griffith Stadium. A Yankees official used a tape measure to determine the distance, leading to the term "tape measure" home run.

In 1926, Babe Ruth hit a homer at Detroit that traveled an estimated 600 feet.

Galarraga's shot landed halfway up the upper deck, one section from the left-field foul pole. It came with two out on a 2-2 pitch in the fourth inning to give the Rockies a 7-0 lead.

Galarraga charged the left-hander Dennis Cook after being hit on the left elbow by a pitch in the eighth inning. The 190-pound Cook made a sidestep, then lowered his right shoulder into the 235-pound Galarraga, and they tumbled to the ground. Both benches emptied, but Galarraga was the only player ejected.

Florida's Gary Sheffield took steps toward the mound after being hit in the seventh by Kevin Ritz.

Cardinals 6, Dodgers 3 John Mabry went 3-for-4 with a two-run homer, and St. Louis took advantage of some shaky Los Angeles fielding.

The Cardinals won for the sixth time in seven games. The Dodgers lost their eighth in a row on the road — their longest skid away from Dodger Stadium since a nine-game streak in June 1992.

Ismael Valdes retired the first eight batters but ended up with his worst outing of the season. In 5⅓ innings, he gave up six runs.

Cubs 7, Reds 4 Shawon Dunston doubled twice, singled and drove in two runs as Chicago won in Cincinnati.

Kevin Foster (7-3) matched his 1996 victory total by winning his fourth straight start.

Expos 4, Pirates 2 In Pittsburgh, Rondell White and Darrin Fletcher homered in succession in the first inning, then singled to start a two-run fourth to lead Montreal past Pittsburgh.

Dustin Hermanson (2-3) won for the first time since beating Chicago in his first major-league start April 22, despite Jason Kendall's homer, triple and double.

Kendall could have become the first Pirates player to hit for the cycle since Gary Redus on Aug. 25, 1989, but struck out in his final at-bat against Ugueth Urbina, who pitched the ninth for his eighth save.

Mets 10, Phillies 3 In New York, Carlos Baerga went 4-for-5 and drove in four runs as the New York Mets beat Philadelphia.

Baseball Roundup

Baerga, who has 14 runs batted in his last 13 games, has raised his average from .161 on April 28 to .296. He has gone 37-for-97 (.381) in that span.

Padres 12, Astros 5 Wally Joyner and John Flaherty each drove in three runs as San Diego won in Houston.

The Padres, without Tony Gwynn, who was sitting out with a hamstring injury, scored four runs in the first inning and four more in the second.

Giants 6, Braves 4 In Atlanta, San Francisco overcame seven walks in one-plus innings by William VanLandingham and came through with another comeback victory.

The Giants' bullpen allowed only one run and seven hits after VanLandingham's disastrous outing, and San Francisco broke a 4-4 tie in the seventh on Jeff Kent's run-scoring infield single.

Because of rain delays, the final pitch was at 12:44 AM., more than 5½ hours after the scheduled start.

San Francisco has come from behind in 17 of its 31 victories, a trend that continued when they rallied from a 4-1 deficit.

In the American League:

Blue Jays 13, Athletics 3 In Oakland, Roger Clemens became the first 10-game winner in the majors, and Toronto backed him with its biggest offensive output of the season.

Clemens remained unbeaten and leads the American League with a 1.85 earned run average after allowing two runs in eight innings.

Clemens is 10-0 and needed just 11 starts with the Blue Jays to match his 1996 victory total, when he went 10-13 for Boston. The three-time Cy Young winner is off to his best start since 1986, when began 14-0 for the Red Sox.

Clemens gave up eight hits, struck out four and walked three. It was just the third time he has permitted more than one run this season.

Orioles 8, Indians 5 In Baltimore, Cal Ripken broke a seventh-inning tie with a record-breaking home run as the Orioles rallied from a four-run deficit to beat Cleveland for their fifth straight triumph.

In the ninth, Ripken made a pair of errors that helped the Indians load the bases. But Randy Myers struck out Matt Williams on a 3-2 pitch to end the game for his 17th save.

Ripken's homer put the Orioles ahead for the first time, 6-5. The home run by Ripken gave him 4,274 total bases with Baltimore, breaking the franchise mark for total bases in a career. Brooks Robinson held the old record of 4,270 total bases.

Yankees 7, Red Sox 2 Andy Pettitte avoided the first three-game losing streak of his career, and Paul O'Neill hit a pair of solo home runs as New York beat Boston.

Tim Raines drove in two runs and Scott Pose, in his first start for the Yankees, added a two-run double off the first-base bag. New York won for just the fourth time in its last 14 games at Fenway Park.

Brewers 4, White Sox 3 In Milwaukee, pinch-hitter Antone Williamson doubled in his first major-league at-bat to bring in David Nilsson with the go-ahead run in the seventh.

Chicago's Albert Belle extended his career-best hitting streak to 26 games with a one-out single off Bob Wickman in the eighth.

Rangers 3, Royals 1 Ivan Rodriguez and Rusty Greer hit back-to-back home runs in the third inning as Texas won at home.

Tigers 4, Mariners 2 Bob Hamelin doubled to highlight a three-run first inning, and Omar Olivares made the early lead stand up as Detroit won in Seattle.

The Mariners lost for the 12th time in 16 games and fell to 27-27.

Angels 5, Twins 3 In Anaheim, Dave Hollins homered twice and drove in four runs for Anaheim.

Hollins hit a solo homer in the first and added a three-run shot in the third to help the Angels open a 4-1 lead.



Ben Margot/The Associated Press

Roger Clemens of the Toronto Blue Jays on his way to becoming the first 10-game winner in the majors.

A Disappointing Debut for Female Pitcher

The Associated Press

SIOUX FALLS, South Dakota — History will remember this night. Ila Borders would rather just forget it.

Borders, 22, became the first woman to pitch in a regular-season game Saturday when she came in during the sixth inning of the St. Paul Saints' Northern League game against the Sioux Falls Canaries.

But she struggled from the outset, facing three batters and giving up three earned runs without getting an out. The Canaries went on to win, 11-1.

"That's going to haunt me for the rest of my life," Borders said as she grimly signed autographs for about 30 minutes after the game.

Borders, a left-hander, received a standing ovation from the crowd of 3,335 at Sioux Falls Stadium when she relieved the Saints' starter, George Glinatsis, with two outs in the sixth. The Canaries led 4-0 and had a runner at third.

Borders hit Paul Cruz, the first batter she faced with a curveball on the first pitch. She then went to a 2-2 count on a right-hander, Michael Dumas, before she was called for a balk on a pitch Dumas grounded weakly to shortstop. The balk forced in the runner from third and gave Dumas another chance.

He hit the full-count pitch back to Borders. She knocked it down, but threw wildly to first for an error that allowed Cruz to score for a 6-0 Sioux Falls lead.

John Tsoukalas followed with a double to make it 7-0.

"I think we were both a little nervous," Tsoukalas said. "I know she had to be really nervous. Nobody wants to get out by her, so I think that's going to make it even tougher for her."

Tsoukalas's hit brought St. Paul's manager, Marty Scott, to the pitcher's mound. The fans booed Scott as he took the ball from Borders, but they cheered her as she ran to the dugout to finish her historic — and disappointing — performance.

"I did awful, it's as plain as that," she said.

Near-Perfect Night for Mussina

The Associated Press

BALTIMORE — Mike Mussina came within two outs of a perfect game as the Baltimore Orioles beat the Cleveland Indians, 3-0, on Friday. Mussina had retired 25 batters in a row when Sandy Alomar hit a single with one out in the ninth inning to ruin Mussina's bid for the 13th perfect game in modern major-league history.

The Indians had not come close to getting a hit off Mussina (7-1) until Alomar lined a 1-1 pitch to left field with one out in the ninth. Mussina finished Cleveland off by striking out the last two batters.

He struck out 10 and walked none in his second career one-hitter. He entered with a 4.26 earned run average and the Indians had been averaging 10.5 hits and six runs in their last 10 games, but he continually baffled Cleveland with a mixture of fastballs, sliders and curveballs.

"I hit a fastball," Alomar said. "He had everything going. He was perfect, and he had a perfect night."

Tuesday

STYLE

From Paris to Milan, from New York to Tokyo, fashion editor Suzy Menkes covers the fashion front. With additional reporting on lifestyle issues, the Style section provides up-to-date information on developments in the changing world of creative design.

Every Tuesday in the International Herald Tribune.

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THIS WEEK ON EUROSPORT

The eyes of the tennis world will be on the red clay courts of Roland Garros; can Martina Hingis maintain her quest to be the youngest ever winner of the Grand Slam?

Tennis:
2 - 8 June, LIVE,
The French Open
The final week of the French Open looks set to bring a few surprise results as we build up to the weekend's finals

Motorcycling:
6 - 8 June, LIVE,
The French Grand Prix,
Le Castellet
The best riders in the world come together again for the sixth round of the FIM World Championship

Athletics:
2 - 8 June, LIVE, IAAF
Grand Prix meetings
The cream of the world's athletes move on from the "Fastest man on Earth" in Toronto, to Grand Prix meetings in St Denis, Moscow and The Golden Gala from Rome

Indy car:
7 - 8 June, LIVE,
The PPG CART
Indy car World Series,
The 2.1 mile street course of The Raceway on Bell Isle hosts the next round of the Championship as the battle for the title hots up



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WORLD ROUNDUP



AP
Ross McFarlane swinging to victory Sunday in Hamburg.

A Belated Victory

GOLF Ross McFarlane, an Englishman, captured his first career title Sunday, holding off Scot Gordon Brand Jr. and Anders Forsbrand to win by one stroke at the Deutsche Bank Open.

McFarlane, a pro since 1979, shot a 1-under 71 in gusting winds in the final round to overtake Brand on the back nine and finish 6-under at 282. *(Reuters)*

NCAA Moves East

The National Collegiate Athletic Association, the major national governing body of U.S. collegiate sports, will move its headquarters to Indianapolis when the lease on its current offices in Kansas City expires in 2000.

Indianapolis put together a $50 million package, which included $10 million in state funds and $10 million in noncash incentives from the state, to lure the NCAA. *(AP)*

Admirals Sail On

FOOTBALL The Amsterdam Admirals and Scottish Claymores stayed in contention for a place in the World Bowl with victories Sunday in the World League of American Football. The Admirals beat the London Monarchs, 13-9, while the Claymores beat the Frankfurt Galaxy, 24-7.

Sirhan Stacy, the league's all-time leading rusher, scored in the third and fourth quarters to give the Claymores a 24-0 lead.

The Scottish team is now tied with the Rhein Fire at 5-3 for a berth in the World Bowl on June 22 against the Barcelona Dragons, who have home advantage after topping the standings in the first half of the season.

Visiting Amsterdam held the Monarchs to no offensive yardage in the first half, and London's only touchdown came with 2:56 to play. After the victory Sunday, the Admirals have a 4-4 record. *(AP)*

The Longest Triumph

BADMINTON Peter Rasmussen came back after losing the first game and from 13-6 down in the second game and 10-3 down in the third to win the men's singles title Sunday at the World Championship in Glasgow in the longest final in the tournament's history.

After two hours and four minutes, the Dane, seeded 15, beat Sun Jun of China, seeded No. 3, 16-17, 18-13, 15-10. *(AP)*

U.S. Makes Splash

WATER POLO Chris Humbert, who plays for a Greek club, scored three goals Sunday to help the United States beat Greece, 8-5, and win the Water Polo World Cup in Athens. *(AP)*

Seeds Blown Away In Windswept Paris

Belgian Qualifier Breezes On

By Ian Thomsen
International Herald Tribune

PARIS — "Who could believe that I'm in the quarterfinals of Roland Garros?" asked someone named Filip Dewulf.

On a day like this you understood why the Greeks insistently attributed results of all kinds to the gods and their awkward sense of humor. It is the only way to explain an upcoming quarterfinal in the French Open between Filip Dewulf and Magnus Norman.

For example: Hygiea, minor goddess of health, last week struck down No. 1 Pete Sampras with a brief intestinal virus. Someone named Magnus Norman advanced.

Then on Sunday, Aeolus, bit character in Homer's Odyssey, drops a bag of unfavorable wind on No. 8 Alex Corretja, the kindhearted Spaniard whose chances had seemed to rise immeasurably because of the loss of Sampras. Corretja is blown all the way back to Spain, Dewulf stays put. Havoc is created for everyone else trying to deal with the mischievous winds thereafter. Women's skirts are playfully lifted, players' hats are knocked off during points. By the end of the day the French crowd is out of its collective mind, performing a Mexican wave around center court near the end of No. 3 Monica Seles' 6-4, 7-5 victory over their own (adopted) 10 Mary Pierce.

The true beneficiary of the unlikely conditions was Dewulf, the first Belgian quarterfinalist ever at the French Open, a qualifier ranked No. 122 in the world.

"If I can keep my ranking in the Top 100, that would be good," he said with disappointing matter-of-factness after his 5-7, 6-1, 6-4, 7-5 victory over Corretja.

Dewulf, 25, realized that the wind was his to exploit. It grew unpredictably, running laps of varying length and speed around the grounds of Roland Garros, inflicting doubts upon Corretja, the best claycourt player of this season. Dewulf began charging forward, punching holes in the weather with volleys and stiff forehand approaches. Corretja, mired on his baseline, could not respond. His own forehands seemed to be held up above the net, landing unimpressively as lobs. His lobs came down any which place like kites crashing in the wind.

"I think the wind just killed my game today," Corretja said. "When I was trying to hit the ball, I never hit the ball right on the middle of the strings. If I cannot hit the ball hard and with topspin like I've been doing the last couple weeks, I just have to run and wait for his mistakes, which is difficult because it means I give the other opponent just the whole chances to win. But I feel like I cannot do anything else."

In the late going, when Corretja was desperately, impotently trying to take the match into a fifth set, the sun appeared overhead like a big warming smile. Then just as suddenly the trees began to rustle loudly, the clouds picked up speed, the sun flicked on and off like a child playing with a light switch.

Much of the time when Dewulf mishit a shot it seemed to land in play anyway. Perhaps the gods had nothing to do with it, but it happened just this way. In the crucial 11th game, Dewulf hit a backhand that landed magnetically on the baseline and was called out. The crowd, hungry for the upset, booed the call. Corretja waved them quiet and kicked at the dust, calling the shot good himself and providing Dewulf with a replay of the point, which Dewulf won to hold serve. In the next game he broke Corretja to win the match.

"If I saw the ball on the line, I cannot say it was out," Corretja said. "So I have to be honest if it's breakpoint or advantage to him."

As a result of having qualified for the main draw two weeks ago, Dewulf has played three more tournament matches than any other player at this stage. He is only the third qualifier ever to reach the quarterfinals at the French Open. Of the six seeded Spanish men, only No. 16 Sergi Bruguera remains; of the 18 Spanish men who began play last week, he is joined only by Galo Blanco, No. 111 in the world.

Norman managed second-tier upset. He beat No. 15 Marc Rosset of Switzerland, 4-6, 6-3, 7-6 (7-3), 6-3. The TV networks are not happy by the prospect of a quarterfinal between Norman and Dewulf.

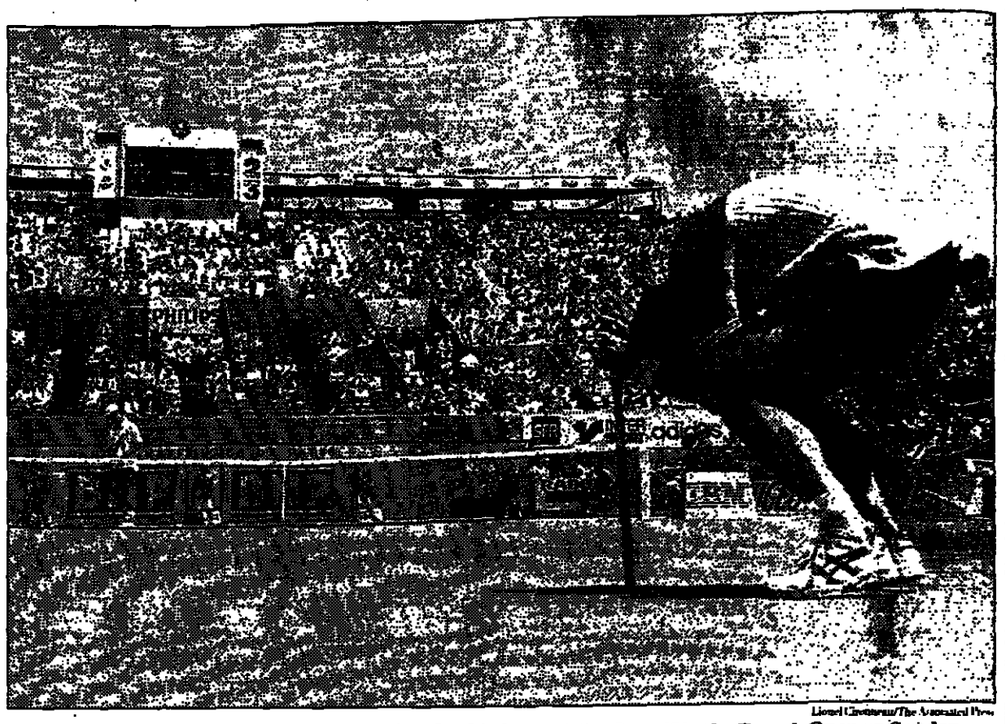
The only seed remaining in their upper half of the draw is No. 3 Yevgeni Kafelnikov, the defending champion. After his relatively easy victory over Mark Philippoussis, 6-2, 6-3, 7-5, Kafelnikov is the clear favorite to reach the final.

On the women's side, No. 16 Barbara Paulus of Austria tried her best to take advantage of the weather against the No. 1 seed Martina Hingis. She was ranked No. 12 in the world almost seven years ago, before a series of wrist injuries eventually sidelined her from the Grand Slams for two years. In the second set she handled the conditions, putting a rare clean sheet on Hingis. But the No. 1 responded in kind to take a 6-3, 0-6, 6-0 victory.

No. 2 Steffi Graf struggled before advancing past Irina Spirlea into the quarterfinal, where she will be face No. 11 Amanda Coetzer, the South African who thoroughly spanked Graf, 6-0, 6-1, at Berlin three weeks ago. Coetzer prepared herself with a long-winded, 2 hour 44 minute upset of No. 7 Conchita Martinez of Spain, 6-7 (4-7), 6-4, 6-3.



Jean-Loup Gautreau/Agence France-Presse
Steffi Graf eyeing the ball in her match against Irina Spirlea on Sunday.



Lionel Cironneau/The Associated Press
Alex Corretja resting on his racket after losing the third set to Filip Dewulf in the French Open on Sunday.

Barcelona Slips Without Ronaldo

Compiled by Our Staff From Dispatches

Barcelona, playing without star striker Ronaldo, lost 3-1 at already-relegated Hercules on Sunday to slip five points behind Real Madrid in the Spanish league with two rounds of matches to play.

Real Madrid, meanwhile, beat Extremadura 5-0 to halt its recent run of poor results.

Nike, the sportswear company, on intervened publicly Sunday in the transfer saga of Ronaldo, who is under contract to wear its shoes.

Laura Alsina, Nike-Spain's communications director, said Sunday: "Nike is going to try and see to it that Ronaldo does not leave Barcelona, and we are going to play the mediator's role between the club and his agents."

Alsina said four Nike directors had met Barcelona president Jose Luis Nunez on Saturday.

Nunez said Nike made an offer to Barcelona that involved the club's promoting Nike products.

Ronaldo, who leads the Spanish league with 34 goals, has said he will not return next year to play for Barcelona.

According to Nunez, Nike prefers that Ronaldo play with Barcelona rather

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than Inter Milan, which he said Nike considers a "second rate" club.

Rangers, the Scottish champion, and Lazio of Rome are other clubs who have offered sky-high bids for the services of the 20-year-old superstar.

Glasgow was reported Saturday to have made a £37 million ($59.2 million) offer to sign the Brazilian.

"Although Ronaldo commands great financial sums, his move is not only about money," said Giovanni Branchini, one of Ronaldo's agents. "If it was, he would be going to Rangers, which was the best offer we have ever had."

Nunez said Nike officials planned to meet with Ronaldo in France, where he is with the Brazilian national team preparing for the Tournoi de France.

ITALY Parma clinched a place in the Champions' League next season after beating relegated Verona 2-1 on Sunday on the last day of the Serie A season to finish as league runners-up. Juventus clinched the title 10 days ago.

Argentine striker Hernan Crespo scored the 64th minute winner for Parma after Verona had taken the lead at home through Pierluigi Orlandini in the sixth minute. Italy international Enrico Chiesa leveled the score after 17 minutes. Inter drew 2-2 with Bologna to finish third.

Udinese gained a UEFA Cup place for the first time by beating Roma 3-0. *(AFP, Reuters, AP)*

Slaney Put on Suspension As Doping Case Drags On

Compiled by Our Staff From Dispatches

Mary Decker Slaney and two other U.S. athletes have been suspended from competition by the governing body for world track and field until their banned-substance cases are resolved with U.S. officials.

Primo Nebiolo, the International Amateur Athletic Federation's president, defended the decision Sunday.

The IAAF, which announced its decision Saturday, said that Slaney's case had dragged on for nearly a year in the United States with no sign of a resolution.

"The IAAF has rules, and when a federation does not follow the rules we have to do something," Nebiolo said Sunday. "We were not happy we were obliged to take this decision, but it had to be taken."

Slaney's husband, Richard, accused the IAAF of "acting with malice" and said it was exceeding its powers.

But Nebiolo said sports federations had to take drug allegations seriously and act swiftly. "Personally, I love all my athletes and I am very sad when one of them makes a mistake," Nebiolo said.

Slaney has vehemently denied using banned substances.

The IAAF had stressed Saturday that it was not presuming the athletes guilty of using banned substances but that it had grown impatient because the cases were still not settled nearly a year after urine tests turned up suspect at the 1996 Olympic trials in Atlanta.

Also suspended Saturday were Sandra Farmer-Patrick, a silver medalist in the 400-meter hurdles at the 1992 Summer Olympics, and a third athlete whose name was not released.

Stephon Flenoy, a hurdler, has been suspended by U.S. track and field officials because of a drug test at the 1996 Olympic trials.

Giorgio Reineri, a spokesman for the IAAF, said that the suspended athletes would not be allowed to compete in the U.S. track and field championships, which begin June 11 in Indianapolis. That announcement underscored discrepancies between U.S. and international due process and seemed certain to set up a legal confrontation similar to the Butch Reynolds case.

Reynolds, the world record holder at 400 meters, went to the Supreme Court to fight a drug suspension and obtain the right to compete at the 1992 Olympic trials.

The IAAF suspends athletes after what it considers a positive drug test, pending a hearing. It is the policy of USA Track and Field, the American governing body, in accordance with due process procedures set forth by the U.S. Olympic Committee Constitution and the 1978 Amateur Sports Act, to give an athlete a hearing before any suspension is imposed.

In the case of Slaney, USA Track and Field has never ruled that she had a positive drug test. *(Reuters, NYT)*

For 2-Miler, A Record, but No Jackpot

Compiled by Our Staff From Dispatches

HENGELO, Netherlands. — Haile Gebrselassie set a world record, running two miles in eight minutes and 1:08 seconds, but missed out on a $1 million prize.

Gebrselassie, an Ethiopian, on Saturday took nearly two-and-a-half seconds off the mark of 8:03.54 set by Daniel Komen of Kenya last July. However, Gebrselassie left the Fanny Blankers Koen stadium here without a cent for his efforts.

"We always said it would be a million dollars or nothing," said Jos Hermans, the organizer of the meet and Gebrselassie's agent.

A $1 million check had been offered if any runner in the race, promoted as a head-to-head clash between Gebrselassie and Noureddine Morceli of Algeria, broke the eight-minute barrier.

"There was no appearance money," Hermans said. Nevertheless, Gebrselassie was far from downcast at the outcome. He suggested that gusting wind and poor pacemaking was responsible for his inability to go under eight minutes.

Philip Mosima of Kenya was second in the two-mile race in 8:14.45, and Mohammed Mourit of Belgium was third in 8:14.88. Morceli dropped out at the start of the final lap, clutching his left thigh. *(Reuters, AP)*



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